S. HRG. 98-496

# LEGISLATIVE PROPOSALS LINKING COMMODITY AND CONSERVATION PROGRAMS

---

# HEARING

BEFORE THE

SUBCOMMITTEE ON
SOIL AND WATER CONSERVATION,
FORESTRY, AND ENVIRONMENT

OF THE

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

FIRST SESSION

ON

**S. 843, S. 998, and S. 1053**

SEPTEMBER 27, 1983

Printed for the use of the
Committee on Agriculture, Nutrition, and Forestry

U.S. GOVERNMENT PRINTING OFFICE
28-118 O WASHINGTON : 1984

S161-8

## COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

JESSE HELMS, North Carolina, *Chairman*

BOB DOLE, Kansas
RICHARD G. LUGAR, Indiana
THAD COCHRAN, Mississippi
RUDY BOSCHWITZ, Minnesota
ROGER W. JEPSEN, Iowa
PAULA HAWKINS, Florida
MARK ANDREWS, North Dakota
PETE WILSON, California
ORRIN G. HATCH, Utah

WALTER D. HUDDLESTON, Kentucky
PATRICK J. LEAHY, Vermont
EDWARD ZORINSKY, Nebraska
JOHN MELCHER, Montana
DAVID H. PRYOR, Arkansas
DAVID L. BOREN, Oklahoma
ALAN J. DIXON, Illinois
HOWELL HEFLIN, Alabama

George S. Dunlop, *Staff Director*
J. Robert Franks, *General Counsel*
Carl P. Rose, *General Counsel and Staff Director for the Minority*

---

## Subcommittee on Soil and Water Conservation, Forestry, and Environment

ROGER W. JEPSEN, Iowa, *Chairman*

ORRIN G. HATCH, Utah
PETE WILSON, California
THAD COCHRAN, Mississippi

JOHN MELCHER, Montana
HOWELL HEFLIN, Alabama

# CONTENTS

Page

Jepsen, Hon. Roger W., a U.S. Senator from Iowa, opening statement ... 1

Boren, Hon. David L., a U.S. Senator from Oklahoma ... 13

## CHRONOLOGICAL LIST OF WITNESSES

Goldberg, Richard, Deputy Under Secretary, International Affairs and Commodity Programs, U.S. Department of Agriculture, accompanied by Everett Rank, Administrator, Agricultural Stabilization and Conservation Service, and Orin Hanson, Deputy Director, Conservation and Environmental Protection Division, Agricultural Stabilization Service ... 3

Bumpers, Hon. Dale, a U.S. Senator from Arkansas ... 7

Written questions from Senator Huddleston and the Department's answers thereto ... 17

Gulliford, James B., director, Iowa Department of Soil Conservation, Des Moines, Iowa ... 18

Farris, Allen L., chief, Fish and Wildlife Division, Iowa Conservation Commission, Des Moines, Iowa ... 21

Mitchell, Ervin, president, Oklahoma Association of Conservation Districts, Balko, Okla ... 25

Williamson, Lonnie L., secretary, Wildlife Management Institute, Washington, D.C ... 28

Wentz, Alan, director, Fisheries and Wildlife Division, National Wildlife Federation ... 30

Sampson, Neil, executive vice president, National Association of Conservation Districts, Washington, D.C ... 33

Gray, Robert, director, policy development, American Farmland Trust ... 35

Berg, Norman A., Washington representative, Soil Conservation Society of America ... 37

## APPENDIX

Huddleston, Hon. Walter D., a U.S. Senator from Kentucky, statement ... 43

Boren, Hon. David L., a U.S. Senator from Oklahoma, statement ... 43

Bumpers, Hon. Dale, a U.S. Senator from Arkansas, statement ... 45

Goldberg, Richard, Deputy Under Secretary, International Affairs and Commodity Programs, U.S. Department of Agriculture, statement ... 49

Gulliford, James B., director, Iowa Department of Soil Conservation, statement ... 52

Farris, Allen L., chief, Fish and Wildlife Division, Iowa Conservation Commission, statement ... 55

Williamson, Lonnie L., secretary, Wildlife Management Institute, statement ... 58

Wentz, W. Alan, Ph. D., director, fisheries and wildlife division, National Wildlife Federation, statement with attached resolution ... 60

Sampson, Neil, executive vice president, National Association of Conservation Districts, statement ... 64

Gray, Robert J., director, policy development, American Farmland Trust, statement with attachments ... 66

Berg, Norman A., Washington representative, Soil Conservation Society of America, statement ... 85

National Association of Counties, statement with attached appendix ... 89

McHard, Dean R., the Ag-Renewal Group, Tulsa, Okla., statement ... 93

Page
Williams, Margie, director of government affairs, National Association of Wheat Growers, statement ..... 93
Legislation under consideration:
    S. 843, reprint of ..... 95
    Staff summary of S. 843 ..... 99
    S. 998, reprint of ..... 100
    Staff summary of S. 998 ..... 107
    S. 1053, reprint of ..... 111
    Staff summary of S. 1053 ..... 116

# LEGISLATIVE PROPOSALS LINKING COMMODITY AND CONSERVATION PROGRAMS

---

TUESDAY, SEPTEMBER 27, 1983

U.S. Senate,
Subcommittee on Soil and Water Conservation,
Forestry, and Environment of the
Committee on Agriculture, Nutrition, and Forestry,
*Washington, D.C.*

The subcommittee met, pursuant to notice, at 10:15 a.m., in room 328A, Russell Senate Office Building, Hon. Roger W. Jepsen (chairman of the subcommittee) presiding.

Present: Senator Jepsen.

Also present: Senator Boren.

## STATEMENT OF HON. ROGER W. JEPSEN, A U.S. SENATOR FROM IOWA

Senator **Jepsen**. The committee will come to order.

The U.S. Department of Agriculture's payment-in-kind program, combined with the Department's acreage reduction and diversion programs, have idled approximately one-fifth, 83 million acres, of the Nation's cropland this year.

The programs designed to reduce stored stocks of surplus commodities offered an unusual and substantial opportunity to enhance conservation efforts. The opportunity was not taken in 1983 and we cannot be certain when we will have such an opportunity again, but the important thing is to prepare for that eventuality and that is the purpose of the legislation before us today; 1983 epitomized the kinds of unpredictable and extreme circumstances that farm policymakers must face. In the last 12 months, we have faced low farm income, record crop surpluses, record production controls, a record drought, and record costs for farm programs.

Sadly, farm policy has, to a large degree, become a hurried reaction to an endless series of dramatic events and emergencies. The inevitable result is that soil and water conservation concerns get lost in the frantic shuffle.

The people who formulate the most important farm policies—that is, policies for the major farm price support and commodity programs—tell us again and again that there is not time to worry about long-term concerns like soil and water conservation. But you do not have to be a conservationist to know that the time is running out.

Our purpose here today is to look ahead to the problems and the opportunities we are likely to face in future commodity program decisions, and to find ways to include conservation in the decisionmaking process.

Over the past 6 months in hearings before this subcommittee and before the Joint Economic Committee, which I am privileged to chair, we have heard many experts say that we cannot hope to solve this Nation's soil and water conservation problems by approaching them as we have in the past.

The gap between what our conservation programs achieve and the magnitude of the problem is extremely wide and it is growing wider. The incentives we offer farmers to conserve soil and water pale in comparison to the unintended incentives to abuse our soil and water resources contained in the USDA's commodity programs and in the U.S. Tax Code.

It is going to be very difficult to turn this situation around and to get conservation programs and the commodity programs pulling in the same direction. But that is what we must attempt to do and I am convinced that we can do it. The bills before us are an attempt to creatively attack some of the disparities in the commodity programs. They are critical elements in any long-term commodity conservation reserve program, but they are not really the solution needed.

I expect to introduce legislation shortly in what, in my opinion, is the most promising approach to achieving long-term conservation assistance: The establishment of a land set-aside program aimed at highly erodible land.

The logic behind the program is very simple. First, a large percentage of the Nation's soil loss occurs on a very small percentage of our cropland. By offering farmers incentives to place this land in conserving uses, we would go a long way toward solving the country's most pressing resource problem, and that is soil erosion.

It is likely that the Government will continue to be involved in helping farmers to cope with periodic crop surplus situations. The land set-aside programs will remain the principal tools that we will use to deal with surplus problems, but instead of offering these set-aside programs on a year-to-year basis, we should gradually build a small reserve of land through this long-term set-aside program.

This will help us to save soil, and at the same time it will help us to cope with the longstanding problem of crop surpluses. I would like to point out that we have had to resort to annual set-asides to deal with surpluses in 5 of the past 7 years.

A consensus is forming that such a long-term set-aside is needed to achieve national conservation goals. A program of this type would be compatible with the traditional farm program goals.

Most importantly, I believe this approach would achieve conservation and production adjustment at a reasonable cost. We must face the fact that some Federal farm programs are necessary and that we, as a nation, should be willing to financially support the most basic element of our American heritage and our future livelihood—American agriculture.

Together with my colleagues, Senator Melcher, Congressmen Jones, and Coleman, I have urged Secretary Block to include a long-term land set-aside program on a pilot basis as part of the 1984 farm programs.

However, on September 20, 1983, the Department testified before a House subcommittee and presented testimony opposing a long-term conservation set-aside or any other major conservation legislation until Congress starts debating the 1985 farm bill.

This is unacceptable and, in my opinion, it is shortsighted. There is no reason not to proceed this year either with a pilot program, a combination conservation-commodity reserve, or any other type of program that would start the United States on a long-term conservation path.

In addition to discussing this with Secretary Block, I have met or planned meetings with each of the appropriate Assistant Secretaries, Deputy Assistant Secretaries, other Department and agency officials, as well as with select groups of conservation, environmental, and fish and wildlife experts.

We are presently sharing ideas, information, and a concerted interest in moving a well-thought-out, intelligent conservation proposal through this Congress.

Today, we are considering several bills that contain what I think are extremely important elements of the type of long-term commodity conservation reserve program we need. I welcome the distinguished witnesses who will give us their views on these bills today. I hope that 1983 will be remembered not only for the dramatic events we have witnessed, but also as a turning point in our farm policy, as a time when we recognized the long-term conservation of America's land and water resources to be more than the orphan in the farm programs, and as a time when we did something about it.

At this time, I would like to welcome and call to the witness chairs Richard Goldberg, Deputy Under Secretary of International Affairs and Commodity Programs; Orin Hanson, Deputy Director, Conservation and Environmental Protection Division, ASCS; and Everett Rank, the Administrator for ASCS.

Welcome, gentlemen.

## STATEMENT OF RICHARD GOLDBERG, DEPUTY UNDER SECRETARY, INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS, U.S. DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY EVERETT RANK, ADMINISTRATOR, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, AND ORIN HANSON, DEPUTY DIRECTOR, CONSERVATION AND ENVIRONMENTAL PROTECTION DIVISION, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Mr. GOLDBERG. Thank you, Senator, and good morning.

Mr. Chairman and members of the subcommittee, my name is Richard Goldberg. I am Deputy Under Secretary of International Affairs and Commodity Programs with USDA.[1]

On behalf of Secretary Block, I appreciate the opportunity to appear before you today to discuss the administration's position on three bills currently before your committee: S. 843, which is a bill to establish a conservation payment-in-kind program; S. 998, the

---

[1] See p. 49 for the prepared statement of Mr. Goldberg.

Special Cropland Conservation Act; and S. 1053, the supplemental conservation payment-in-kind program.[1]

Before proceeding on these bills, let me restate the Department of Agriculture's strong commitment to the conservation of our basic natural resources of soil and water. On December 21, 1982, the President submitted the national program for soil and water conservation. The program was the result of years of effort to respond to the Soil and Water Resources Conservation Act.

The national program called for increased targeting of technical and financial assistance, and we have called for greater consistency between production-oriented programs of the Department and the aims of conservation. I think a little later, Senator, I will comment a bit on the differences between the two approaches.

The immense interest in the PIK program of the Department has spawned a number of efforts to adapt this concept to soil and water conservation. The bills before you today are examples of this adaptation.

With the Department, we have conducted extensive reviews of many proposals linking PIK to specific conservation actions. We have underway an evaluation of the soil losses on conservation use acreage, including PIK acres, to determine the effects of CUA-type programs on conservation. We expect this report to be available by the middle of November.

Secretary Block and the Department are committed to a strong soil and water conservation program. But I must add it must continue to be one whose cost is within our means during these years of large deficits in the national budget; and I might add, Senator, within the cost of agricultural programs in general.

S. 843 would authorize the Secretary to make conservation payments in cash or inkind to producers who carry out approved conservation practices on acreage which is diverted from production under the wheat, feed grain, upland cotton, and rice programs which are formulated in accordance with the Agricultural Act 1949.

S. 843 would also authorize the Secretary to make conservation payments in cash or inkind to soybean producers who carry out approved conservation practices on acreage which is diverted from production under an acreage limitation program established for soybeans under the 1949 act or the Commodity Credit Corporation Charter Act. It should be noted, Senator, that neither of these acts specifically authorize an acreage limitation program for soybeans.

S. 998, the Special Cropland Conservation Act, would authorize the Secretary of Agriculture to establish a special cropland conservation program for erosion-prone cropland, whereby the Secretary would assist the owners and operators of such land to make an orderly change in their cropping and land-use systems, and to implement the conservation treatment needed to conserve soil and water resources.

S. 998 would also authorize the Secretary to provide technical assistance and cost-share payments in cash or inkind to owners or operators of erosion-prone land—classes that are under the land capability class system of the Soil Conservation Service—which has been cultivated or in rotation in any 3 of the past 5 years. Participants would enter into agreements with the Secretary of up to 10 years in length.

---

[1] See p. 95 for a reprint and staff summary of S. 843; p. 100 for a reprint and staff summary of S. 998; and p. 111 for a reprint and staff summary of S. 1053.

Like S. 843, S. 1053, the third bill, proposes making incentive payments to producers who devote acreage to long-term conservation uses. However, S. 1053 is more limited in applicability than either of the other two bills, in that eligibility for assistance is limited to producers participating in a basic PIK program.

S. 1053 would require the Secretary to use surplus agricultural commodities to make supplemental payments-in-kind to producers who divert acreage from the production of agricultural commodities under a basic PIK program, and devote such acreage to conservation uses for a minimum of 5 years.

The inkind payments would be provided along with technical assistance for cost sharing in order to establish conservation uses, but with an annual limit per producer of $25,000 based on fair market value of the commodities.

Both S. 998 and S. 1053 contain provisions that would allow the acreage to be considered as planted to a program crop for purposes of establishing history for future commodity programs and to be considered eligible for designation as conserving use acres for as long as the acreage remains under the agreement.

The Department of Agriculture opposes the enactment of all three pieces of legislation. The Agriculture and Food Act of 1981 governs all production adjustment programs through the 1985 crop year.

Both S. 998 and S. 1053, while having strong conservation components, are essentially production adjustment programs. It is the view of the Department that it is premature to enact this kind of legislation at this time. Any consideration of a long-term set-aside or conservation reserve should come in 1985 in preparation for the omnibus farm bill and be evaluated as a part of the overall needs for production adjustment. I will comment more on that later on, Senator.

S. 998 provides for payment-in-kind or cash, and authorizes the Secretary to use the funds, facilities and authorities of the Commodity Credit Corporation [CCC] to carry out the program authorized by the bill.

The Department very strongly opposes the use of CCC borrowing authority to carry out conservation measures. Such expansion of the use of CCC borrowing authority would be a significant departure from existing practice and would not protect the integrity of the CCC.

The use of CCC borrowing authority has been for commodity price-support activity, whereas conservation funding has been acquired through the appropriation process. The Department already includes some compensation for required conservation practices in price-support benefits. Additional funding for conservation practices should be acquired through the normal appropriation process. Again, we oppose this expanded use of CCC resources for non-price-support activities.

S. 843 also calls for inkind payments as well as cash payments to be made to producers to compensate them for applying approved conservation practices on acreage diverted from production.

These inkind payments would be in addition to the already announced PIK program. The justification for making inkind conservation payments is based on the assumption that there are substantial quantities of Government-owned commodities that would provide a lower cost means of funding conservation activities. However, this will no longer be true after current PIK obligations are satisfied, and we are uncertain of the quantities of commodities that will be available in the future.

S. 1053, the third bill, directs the Secretary to use surplus stocks of CCC commodities to make payments to producers. It is silent on what to do if no surplus commodities exist, which would be the situation today in most of our feed grain complex.

The Secretary has announced a limited PIK program for wheat in 1984, and has indicated that there will likely be no other PIK programs for 1984.

We believe that the dialog we have begun here today can lead to a better understanding of the long-term effects of acreage reduction programs on soil and water conservation. In preparation for the 1985 farm bill, the Economic Research Service has undertaken a study of the costs and regional effects of the use of a conservation reserve as a part of a production adjustment program. Preliminary results are expected in January 1984.

Mr. Chairman, now is not the time for enactment of the three bills before you. Let us continue to dialog to see if a practicable, cost-effective program can be developed that will embrace both the long-term conservation objective and the production adjustment objective that we both seek.

I might add, Mr. Chairman, that the Department is looking at some expansion of our pilot programs in conservation, which we hope to announce in the very near future. I think that it will be something that you will agree with and a program that will have some meaningful success attached to it.

I would like to thank you, Mr. Chairman and Senators. Thank you, and I would be happy to answer any questions that you might have.

Senator Jepsen. Thank you, Mr. Goldberg.

We have the distinguished Senator from Arkansas, Senator Bumpers, with us now, who is the author of the bill, Senate bill 1053.

Senator, by way of introduction here, we have, going to my immediate right, Everett Rank, Administrator for ASCS; Richard Goldberg, who just testified, Under Secretary of International Affairs and Commodity Programs; and Orin Hanson, who is the Deputy Director, Conservation and Environmental Protection Division of ASCS.

I would like at this time to do something that may not be an ordinary procedure, but I think it might be helpful for this dialog. You have just discussed these three bills we are talking about, and discussed S. 1053 in the last remarks. The author of that bill is here.

Would you like to either present your case now, which I would recommend that you do, and then we could go right into some questions on those comments?

## STATEMENT OF HON. DALE BUMPERS, A U.S. SENATOR FROM ARKANSAS

Senator **Bumpers**. I think that is a very good idea, Mr. Chairman. I will just take a couple of minutes to describe my——

Senator **Jepsen**. Excuse me, Senator. I would advise everyone here that your written remarks that you have will be entered into the record in full and so you may proceed in any manner you so desire.[1]

Senator **Bumpers**. Thank you, Mr. Chairman, and we have furnished the committee with copies of our statement.

Let me say just first off that if you were to ask me what is going on in the world today that is likely to impact most adversely on the United States, it would not be Lebanon and it would not be Central America and it would not be the shooting down of a Korean airliner.

It would be what is going on a pace that really jeopardizes this country by around the year 2030, and that is soil erosion. I am surprised one television camera showed up for this. That must be an agricultural station or something because this is the sort of thing that has no sex appeal; it is commonly either ignored or misunderstood. Yet, I consider it one of the most monumental long-term problems.

Now, I know I am preaching to the saved when I talk to Roger Jepsen because he comes from the most endangered State as a result of this problem of any State in the Nation. Yet, for example, for 1984 the President proposed significant cuts—I believe that is right; is that right or not—in soil conservation in ASCS, a $300 million proposed cut in all those programs?

Mr. **Goldberg**. I believe that is correct.

Senator **Jepsen**. The cuts were very dramatic.

Senator **Bumpers**. They were very dramatic. I mean, this is absurd; it is absurd. This is not a partisan issue with me. I have been preaching about this. I have served under three Presidents; none of them have ever shown any inclination to do anything about it, even an embryonic program that is long range.

Now, Mr. Chairman, I will just tell you a little about my bill. I must say, obviously, as long as Secretary Block is there, my bill is not going to pass, and I recognize that. I think it is a fairly sensible approach and could be worked out, and I appreciate Mr. Goldberg's comments about it and I think probably some of his criticisms are well taken.

But what it does, of course, is it simply takes the PIK program and carries it a step further. There is not going to be a PIK program in the future. There are not going to be any surplus commodities, as Mr. Goldberg has correctly pointed out.

But right now, the Department of Agriculture has no program for 1984. You got lucky this year from a surplus standpoint because of the drought, and next year, so far as I know right now, there will be no agricultural program except an invitation to plant wall to wall, fence row to fence row.

---

[1] See p. 45 for the prepared statement of Senator Bumpers.

And if we have good weather next year, by the fall of 1984 we will be right back to square one. The Government will own whopping big surpluses and they will be wondering what in the hell they are going to do with them.

So, my point is the Secretary at some point—say this bill passes next year. You do not have any commodities to give these people now, it is true. My bill, Mr. Chairman, would have authorized the Secretary to give up to $25,000 in commodities to any farmer who is willing to set aside a certain amount of land based on a per acreage set-aside, and also conditioned on his putting cover crops on that soil.

Incidentally, if the situation were suitable, he could graze it, if he wanted to raise cattle on it. He could certainly bale it for hay. But he would have to set it aside and put a cover crop on it for 5 years, and the Secretary could pay him up to $25,000 in commodities for doing that.

Now, if somebody wanted to set aside a really good, sizable tract of land, the Secretary would be authorized to do more than that. It is just that simple. How much he would pay for a given tract could be worked out with some rules and regulations.

The Department has better and better information all the time about the quality of lands in this country, and he might want to pay more for those lands that are now being severely eroded.

One of the reasons I was rather anxious to deliver my statement this morning was because it has got all those staggering statistics in it which you hear all the time and which the Department is aware of, but which the general public is not.

I mean, when you consider—I had some gentlemen in my office yesterday afternoon and we were talking about sheet erosion. If we are actually losing 5 tons of topsoil per year—and in my State we produce an awful lot of soybeans and we know that it is costing us 4½ bushels of dirt to produce 1 bushel of soybeans. You do not have to be broken out with brilliance to know that we cannot continue that forever.

But 5 tons of topsoil is the thickness of a dime, but we have some places in this country where erosion is running as much as 16 tons of topsoil per acre. And it takes at least 6 inches of top soil—that is considered plow depth. We have got a lot of land in this country right now, a lot of it in Iowa and some in Nebraska, where we have both water and wind erosion just proceeding apace.

It has been diminished somewhat and I am gratified by that, but we have not approached this problem on a crash basis. You look at the scale; we have 415 million acres under cultivation this year. Is that correct, Mr. Goldberg?

Mr. GOLDBERG. That is about right.

Senator BUMPERS. 413 to 415. It has not been going up much lately, not like I thought it would with certain things. But in any event, I have seen statistics that show, for example, that by the turn of the century we will be down to the most we can comfortably accommodate at 380 million.

We are losing over 1 million acres a year. If you just take plow depth of 6 inches and multiply that by the amount of sheet erosion that is occurring in this country on our arable lands, we are losing to wind and water about 1,300,000 acres of land a year.

You know, Greece used to be one of the most fertile areas in the world, and now the fertile area of Greece is at the bottom of the Mediterranean. That is happening apace in a lot of areas in the United States.

So, what I am saying, Mr. Chairman, is my bill is designed to get this dialog on the front burner. I did not hear all of Mr. Goldberg's testimony, but I heard nothing constructive, Mr. Goldberg.

I heard what was wrong with mine, David Boren's, and Thad Cochran's bills, but I did not hear anything that the Department has in mind.

Mr. GOLDBERG. Do you want me to respond?

Senator BUMPERS. Yes, please, if that is OK with you, Mr. Chairman.

Senator JEPSEN. Absolutely.

Mr. GOLDBERG. Well, Senator, all of the production adjustment programs since I have been around, and that is becoming quite a number of years, have some conservation built into them—I think you would agree with that—even the PIK program and the ARP programs.

We have studied some additional pilot programs that we hope to announce very shortly. I would agree with the Senator that dialog is important, and although the bills before us may not be the proper vehicles to accomplish your purpose, they do put it on the front burner and I certainly hear you loud and clear in that respect.

But the Department was basically asked to respond to the language within these pieces of legislation. I know that both of you gentlemen are very interested in the overall programs and what the Department intends to do, and I believe that I speak for the Secretary to tell you that he is very, very interested in the conservation programs and what we might do to further build on what we have already done.

I think as far as the PIK program is concerned, though, the payment-in-kind concept—I realize that at the time PIK was introduced, it would have appeared to everybody, as you pointed out, that we might have PIK with us for some time to come.

Obviously, because of the drought and other factors, you cannot plan from year to year what the production or demand side might be.

Senator JEPSEN. You have had these bills for some time, Mr. Secretary. Has the Department estimated the cost of the long-term conservation programs to be established under any of these bills—S. 1053, for example?

Mr. GOLDBERG. No, Senator, we have not. Quite naturally, other than the $25,000 limitation in a couple of the bills, it is pretty hard to determine what the cost might be, depending upon how far the bills actually go. They are pretty open ended.

Senator BUMPERS. What would you say if we just said we are going to try this pilot program on 1 million acres of land? What would your response to that be?

Mr. **Goldberg**. As to the cost?

Senator **Bumpers**. Just to see what kind of cooperation we get from the farmers, how successful it is at actually stopping erosion on those tracts that we sign contracts on, and so on.

Mr. **Goldberg**. Well, I think, Senator, you would have to give the Secretary quite a bit of flexibility; these bills essentially would. But you would also have to put some numbers in, identifying what the costs were going to be and how cost effective that program might become.

Senator **Bumpers**. Well, is it your belief that the Department would seriously entertain some kind of a compromise proposal? Maybe Senator Boren, Senator Cochran, and I could sit down and meld our three bills together and agree on something at least on a pilot basis.

I am sure you agree with Senator Jepsen and me that this is a staggering problem that we are confronted with.

Mr. **Goldberg**. We agree with you 100 percent, Senator, and we certainly would look at anything that you propose.

Senator **Bumpers**. Well, my next question is when are we going to do something about it?

Mr. **Goldberg**. Well, we like to think that we are aware of the problem and that we are working in that direction.

Senator **Bumpers**. You have got some really good people in your Department who understand this problem, and there are a lot of people in the private sector. I visited with a number of people just yesterday and it was enlightening to me because these are real pros; they understand it and they are terribly upset about what is going on without any program to deal with it.

You know, my wife, every time she gets one of those publications from the National Farm Trust—is that what it is called? She sends them money. I would like for her to stop it. [Laughter.]

I would like for us to deal with this in a more sensible way.

Mr. **Goldberg**. Well, I do not think that the Department can do much about that.

Senator **Bumpers**. No. That is a domestic problem; I will handle that one. [Laughter.]

Mr. **Goldberg**. Well, Senator, I believe we are leaning in that direction. Obviously, what the Senator is proposing is a marrying of conservation practices with production farm legislation.

Senator Jepsen feels that we should be moving ahead on conservation ahead of farm legislation, as he said in his opening remarks. I think the Department is perfectly willing to look at any proposals that you gentlemen might have that would accomplish the goals you are trying to achieve.

Senator **Bumpers**. Well, Mr. Chairman, you have been very generous with your time and I certainly do not want to abuse it. I will just make one statement, not ask a question.

I just want to say that this is like fighting a war. You can only fight a war as long as it is supported by the people. I mean, we will stay in Lebanon as long as the American people see that as being in our interests and we will pull out when we do not.

Senator **Jepsen**. It is called consensus.

Senator **Bumpers**. Yes. I mean, that is the reason we got out of Vietnam; the American people finally said "enough," and that is when we quit.

But in this case, we have yet to really elevate this thing to one of the burning issues of the day, and it is so difficult. You and I both know how difficult it is around here to get anything going.

I guess I have been trying to get a moratorium on Secretary Watt for 5 or 6 years, and finally just succeeded ever so temporarily last week. So, it takes a long time to get anything going around here.

But I want to say that the Department and the President are the only people who can really put this in perspective for the American people and start talking about it and putting it on the front burner.

The President has correctly jumped on the education issue, and this is another one of those educational things that we need to educate the American people on.

Finally, let me say if I were President and I were directing the Department of Agriculture to come up with a program, I would do it in tandem with an entire agricultural program which would include mandatory set-asides and conservation.

Our problem in this country, unhappily, is that we produce more than we can sell or consume. And except in those periods of time when we have significant set-asides, that has happened and it will continue to happen.

It seems to me that the conservation programs on land ought to be considered along with a long-range agricultural bill to try to get our supply and demand in line and get away from these swinging cycles that have been so devastating to the farmers for the past several years.

I would be happy for you to respond to that.

Mr. **Goldberg**. Well, as you know, Senator, we have had set-aside programs since about 1973. And as both of you pointed out, previous administrations have never sought to put in the set-aside programs for conservation purposes.

The main reason in those years was the emphasis was on production because of a very strong demand. By the same token, I do not know that we are completely dedicated to a large supply and limited demand situation as far as American agriculture is concerned forever; hopefully not.

We tend to, in my judgment, look at short-term situations as they occur. If we had had this hearing last spring prior to the drought during the summer and you were proposing PIK payments for conservation, we would be talking about something entirely different.

Senator **Bumpers**. You would have listened very seriously, would you not?

Mr. **Goldberg**. I surely would have.

Senator **Jepsen**. I might point out, Senator, that I have been meeting with the USDA, with all personnel that have direct impact and responsibility for conservation, and even indirect responsibility.

We met last week; we met on September 3. I have written letters. I met with Mr. Goldberg for about a half an hour prior to this meeting and I have indicated to him constructively that I see no reason not to proceed this year either with a pilot program or a combination of conservation-commodity reserve or any other type program that would start the United States on a long-term conservation path, rather than waiting until 1985 which is just another period of time, which, to a degree, without being critical, is kind of a bureaucratic copout.

We could send a signal; we could take a step in the right direction. We could set the stage for long-term conservation, which is one of the things that we are going to look at. It has a lot of aspects that are very marketable.

This thing called consensus, which is people support for whatever we may be doing as a nation, is something that on soil conservation I sense has been growing. I have not had the opportunity to discuss this with you, but I have pointed out at other hearings time and time again that since 1979 I have held many hearings and been involved with soil conservation across the country.

In 1979, if you asked the rank-and-file witnesses who were there how they felt about cross-compliance or what they felt about mandatory programs, the answer on about a 9-to-1 basis would be, "No, we do not want to do that; we do not want to be told what to do."

But, gradually, in 1979, 1980, 1981, 1982, and coming down to the spring of this year, we asked the same question. I have asked it for 5 years running and I can tell you there is a complete U-turn, 180 degrees, and the people are now saying we have to do something: "yes, I would support cross-compliance, mandatory things."

We have run out of time, and that is true with everybody, whether they be a producer, a consumer, a processor, a financer, whatever it may be, across the board; very dramatic. So, this thing called consensus, I believe, is already there, if we would just sort of stimulate it.

Senator **Bumpers**. I think that is a good statement, Mr. Chairman. As a matter of fact, I might say that we could do worse than look at some of the laws that Iowa has passed. Certainly, the University of Iowa and Iowa State have been taking the real leadership role in some unique conclusions they have reached.

Senator **Jepsen**. I am relying heavily for advice and counsel from those who have pioneered the way in Iowa.

Senator **Bumpers**. One other point I want to make just for the record, incidentally, on my bill is not only are you entitled to bale hay from it or graze it, if the Secretary approved that, and I think in most instances he would; you also would not lose that land if that land is a base part of any program you are involved in. It would still be considered; that would be another incentive to join in it.

Well, Mr. Chairman, you have got a real pro on your hands here now, so I will turn it over to him.

Thank you, gentlemen, very much. Mr. Chairman, thank you for your time.

Senator **Jepsen**. Thank you, Senator.

At this time, we have the very distinguished Senator from Oklahoma. Senator Boren, you are the author of one of these bills and Mr. Goldberg led off this morning in the interests of time and has discussed to some degree each one of these bills and commented on them.

At this time, I would recommend that you present your bill and then we can get some dialog going here, which has proved very interesting and I think very helpful.

## STATEMENT OF HON. DAVID L. BOREN, A U.S. SENATOR FROM OKLAHOMA

Senator **Boren**. Very good, Mr. Chairman. Well, I want to commend you for calling this hearing on S. 998, the Special Cropland Conservation Act; S. 843, the conservation program for idle acres; and also S. 1053, which has just been discussed by Senator Bumpers, his supplemental conservation PIK program.

These bills are all, of course, designed to address a critical problem facing our Nation, the rapid loss of soil. An integral part of our food and agricultural policies must be the conservation and wise use of our land and water resources, and by far the most serious threat to soil productivity is erosion.

The most critical resource problem identified in the 1980 RCA appraisal was soil erosion occurring at rates that could reduce the sustained productivity of our agricultural land. We are losing the equivalent of over 1 million acres of cropland annually to erosion, according to the national agricultural lands study.

Some of the most productive agricultural areas of the United States are also those having the most serious and chronic erosion-related problems. Nearly 3 billion tons of soil erode from the Nation's cropland each year, thereby reducing the agricultural productive capacity of this Nation.

If we carry this out in the future, over the next 50 years productivity losses due to soil erosion could equal the output of 25 to 62 million acres of cropland, or the production of 50 to 75 million metric tons of grain annually.

I might mention it is not only the loss of this million acres, as we all know, but we are also seeing diminished productivity on another perhaps 150 million acres as the result of erosion.

The conservation programs that we have in place today have helped to reduce erosion over the past years. Yet, it is obvious that there is a need for more to be done. It is estimated that 40 percent of the conservation job in all aspects remains to be done in my home State, for example, and I would suspect that similar situations exist in many other States.

The bills we are discussing today will give the Secretary of Agriculture additional tools to effectively combat our Nation's erosion problems. As the author of S. 998, I am restricting my comments to this legislation.

The special cropland conservation program would give the Secretary the authority to implement a special conservation program for erosion-prone cropland. Under this program, the Secretary would provide technical and financial assistance to owners and operators of erosion-prone cropland. Essentially, the program is patterned after the Great Plains conservation program, with which we have had experience in our part of the country.

Participation in this program is not dependent upon participation in an acreage reduction program, as is the case for Senator Cochran's bill, S. 843. This program is designed, instead of being really part and parcel of a production control program, to be aimed more strictly at the conservation aspect.

It is to allow for conversion of erosion-prone cropland to permanent cover and other treatments which require a number of years; it is something we are not dealing with just in the short term.

Lands eligible for the special cropland conservation program are those croplands in classes IIIe, IVe, VI, VII, and VIII under the land capability classification system used by the Soil Conservation Service.

A key aspect of the program is the flexibility which it would give the Secretary of Agriculture to finance the program, as the Secretary could make the payments in cash or inkind commodities, either one. At times when Government surpluses of commodities are high, this will allow the Secretary to use the commodities for payments under this program, if he should deem that to be wise.

It would not require him to do it; it would not set up a specific formula. It would merely give him broad authority, and I would say, Mr. Chairman, that flexibility is the key approach under this particular piece of legislation.

Mr. Chairman, we must take action now to protect and maintain the productivity of agricultural lands through actions that prevent gradual degradation caused by excessive soil erosion. If we are to produce an adequate supply of food for home and exports, we simply must maintain high-quality soil resources.

So I again want to commend you for your interest. No one has taken a stronger interest in this entire area than you have. And I hope that the provisions of this bill will simply put before us another set of tools that the Secretary might be able to use with some flexibility in dealing with the problem.

Senator **Jepsen**. I thank you, Senator.

Was either of the other two gentlemen accompanying Mr. Goldberg wanting——

Mr. **Goldberg**. I think Mr. Rank had a statement.

Senator **Boren**. I would like, Mr. Chairman, to submit a statement, a series of facts and figures in regard to the problems of erosion both in Oklahoma and nationally.

Senator **Jepsen**. The statement submitted by the Senator from Oklahoma will be entered into the record.[1]

Mr. **Rank**. Thank you, Senator. I would just like to make a little, short statement about the type of programs we operate today—the ACP program, as mentioned, and the Great Plains program—and how they are structured.

I think over the years they have been structured more to really permanent-type practices, getting away from production-type practices, and I think there has been quite a change in the ACP program that we operate, going to more permanent-type cover, plantings that are permanent facilities on that farm will have long-range benefits.

---

[1] See p. 43 for the prepared statement of Senator Boren.

In the past, a lot of the practices were production oriented and I think we have learned a lot of things over the years of structuring our ACP program toward the very thing that has been discussed here today: Taking certain lands out of production on a permanent, or at least what we call permanent basis—at least 5 years in our program.

So, I think the things you are discussing here today are certainly of interest to us in the Department. As Mr. Goldberg has stated, we are interested in working with Congress to see if there are some things we could have some mutual agreements on and long-range practices that we are gaining some experience on.

The ACP program in the past has not been evaluated on what benefits there are so far as cost ratio of the amount of money we spend on individual practices versus the amount of soil we are saving.

We have implemented a program now, the Soil Conservation Service and ourselves, and we will have that implemented in all counties in the United States this fall on practices we cost share on to see what cost savings are being acquired on these, so we can have data to say these are the practices that are most cost effective and that save the most soils, and really have something that we can tie together and look at.

So, I just want to put this forward because I do not like to leave the feeling that we are not doing anything for conservation in this Nation. There have been a lot of good things happening out there, but I agree that in those highly erodible areas in the United States, the high rainfall areas, we need to be doing other things out there.

Senator **Boren**. Mr. Chairman, I would like to ask—I know there is some concern about using the PIK program in terms of conservation, in that we might be locked into using it in times in which you did not have, really, the surplus commodities.

But I wonder if you do not think perhaps that the approach we have used in S. 998 would be helpful, in that we do not mandate; we authorize it. It would provide a long-term authorization for the Secretary to act, and that way if you do have a situation where you have the surplus commodity, you have the authority on the books to utilize it in this way.

On the other hand, you are not forced to use it in circumstances that the Secretary would deem inappropriate or where you did not really have the commodity to deal with it.

Mr. **Goldberg**. Can I respond?

Senator **Jepsen**. Surely.

Mr. **Goldberg**. There are a couple of parts, without going into the overall story of S. 998, that we have some problems with. One, of course, is using CCC funds for payment to producers who practice conservation practices.

Traditionally, CCC funds, as you know, have been used for support programs for crops, and that would be quite a decided departure. So, your bill would be quite a change there.

In our view, conservation programs would be better served by going the appropriation route, if it is in cash.

As far as PIK is concerned, Senator, as you well point out—we talked a little about it earlier when Senator Bumpers was here. If we were talking about PIK in response to conservation practices for payment-in-kind last June, we would have had a little different dialogue going on than we have this morning.

As you well know, the combination of PIK and the drought—at least in the feed grain complex, we will not have any Government grain to be used for conservation, or another PIK program for that matter.

Senator BOREN. Right.

Mr. GOLDBERG. I just think that there are too many variables in the long term that none of us can really project. I would hesitate to put PIK into written legislation because PIK, as all of us know, is an administrative implementation-type program. It was not a part of a farm bill or a legislative item even though it was supported by virtually everybody in the farm sector.

We do not have trouble, Senator, with your long-range goals. We have a little problem with the vehicle you are using here to get it done, I guess.

Senator BOREN. Well, let me ask this. Since we are not mandating and we are giving the Secretary as many flexible tools with which to work, both in terms of financing mechanisms and of PIK——

Mr. GOLDBERG. We like that.

Senator BOREN. I have a little hard time understanding why it would be wrong to give the Secretary a full range of authority to deal with it. If it is not mandating him to do it, it would allow him to look at the conditions.

I would hope you would think about that a little bit because, really, we are just giving him a few more arrows in his arsenal, so to speak, and allowing him a fuller range without locking us into exactly how we are going to do it on a year-to-year basis, when none of us can sit here and predict what the crop situation is going to be, whether we are going to have surplus commodities, or other factors like that.

I would hope that you might look at it again as something that would give the Secretary flexibility to act 5 years from now or 10 years into the future, which none of us can really project at this point what our posture is going to be, except we do know we are going to have this continuing need for conservation 10 years out. We do not know what the production is going to be at this point.

I would hope you would give it a serious look. I look at it not as a criticism, but as a compliment, to programs that you have initiated that have worked well, like the Great Plains program, that we really are trying to draw on that experience and go forward from there.

Senator JEPSEN. I would point out that the Senator's thrust in S. 998 requiring the Secretary to consider set-aside acres as a part of the farmer's historical base acreage is a step in the right direction as far as bringing equity into this program.

The livestock folks felt that they had an unfair "going in" situation in this PIK program in that their set-aside acres that they had by the nature of the way they just do their farming operation with permanent pasture, and so on, put them way behind in getting some treatment in the way the formula was based.

So, it would address what has been probably the single largest criticism initially of the program, and your bill does that.

Senator BOREN. Thank you, Mr. Chairman. I think you are right. We have to set aside. We have had perverse incentives in some ways to encourage people to break out new acreage, and much of it on erosion-prone land. And we have to find a way to redress that balance and set some incentives in motion in the other direction.

Senator JEPSEN. Well, I thank Mr. Goldberg, Orin Hanson, and Everett Rank.

Orin, is there anything that you have to add to that? You do not have to say anything.

Mr. HANSON. Just, Senator, I'm here to support my bosses.

Senator JEPSEN. Thank you very much.

[Written questions from Senator Huddleston and the Department's answers thereto:]

*Question 1.* The Administration has indicated that prior approval of a conservation practice should be a requirement before reimbursement of costs. Although the Secretary would be authorized to make payments on a retrospective basis under S. 843, it is argued that, even if S. 843 became law, the Department could, if it desired, administratively require prior approval. Is that your interpretation of the scope of the Department's authority under S. 843?

Answer. S. 843 would authorize the "Secretary of Agriculture to make payments to reimburse producers for the cost of applying approved conservation practices". Since the Secretary is authorized to make payments to producers for approved practices, we interpret S. 843 to mean that the Secretary or his designee must approve the practice. Without prior approval rules, S. 843 would be an "entitlement" to the producer to install any conservation measure desired. The Secretary would be left with no fiscal control over expenditures. We do not believe this was the intent of the authors of S. 843.

*Question 2.* As you know, S. 843 does not have a targeting provision. The Administration has indicated its opposition to S. 843 partly because existing policy calls for targeting assistance to areas with the most serious soil and water conservation problems. Shouldn't nontargeted areas receive some consideration under a conservation PIK Program?

Answer. The legislative report on S. 843 did oppose a new program which may not be in concert with the Department's targeting effort. However, that doesn't mean there are no serious erosion problems in areas not currently targeted. Ideally, the expenditure of federal funds for conservation uses should be site-specific and tied to excessive soil losses. The Department recently began a new Comprehensive Reporting and Evaluation System (CRES) which does this on some of its programs. Applying CRES to a program such as S. 843 could allow operations in non-targeted areas and still be in concert with the National Conservation Program.

*Question 3.* Under S. 843, the conservation PIK Program would expire after the 1985 crop year. The Administration has indicated it opposes S. 843 partly because government-owned surplus commodities will not be so abundant during 1984 and 1985. However, other bills, such as S. 998, do not set an expiration date for the program. Wouldn't the authority for a conservation PIK Program be useful in future years when we might be faced with large commodity surpluses?

Answer. As we stated in our testimony, we consider S. 998 and S. 1053 to be essentially production adjustment programs. We believe that any consideration of a long-term set-aside program should come as a part of the 1985 Farm Bill.

*Question 4.* One of the bills before us today, S. 1053, would authorize in-kind payments only for long-term conservation practices. Would you define long-term practices and explain the merits or problems with such a restriction?

Answer. The Department has defined long-term practices as those with a life span of at least five years. This restriction would affect only temporary cover practices. Generally, temporary cover practices are more expensive per ton of soil saved than long-term practices because of their temporary nature. Under the current law, participants in programs requiring conservation use acres are required to protect those acres from erosion without further compensation.

Senator JEPSEN. I would like to now call to the witness chairs Jim Gulliford, director of the Iowa Department of Soil Conservation; Al Farris, chief of the Fish and Wildlife Division, Iowa Conservation Commission; and also Ervin Mitchell, president of the Oklahoma Association of Conservation Districts.

Do you have time to chair this for a few minutes?

Senator **Boren**. Mr. Chairman, I can.

Senator **Jepsen**. Well, Jim and Al, welcome. Thank you for coming out here. Did you get in this morning?

Mr. **Gulliford**. Last night.

Mr. **Farris**. Yesterday.

Senator **Jepsen**. I appreciate it. I have another meeting to attend. Senator Boren will chair this for a while.

[Whereupon, Senator Boren assumed the chair.]

Senator **Boren**. Thank you very much, Mr. Chairman. I think the members of the panel and others understand that we are all in the same spot today with three or four committees meeting at once this morning, some in the process of marking up legislation.

So, we are trying to take turns with this hearing so that we can meet all of our responsibilities. I think we need a central clearing point so that everyone can know what else is going on at the same time because it seems that it always hits us all at once.

But we appreciate all of you being here this morning. For the record, I want to express my particular pleasure that Ervin Mitchell from Balko, Okla., is here with us testifying on behalf of the Oklahoma Association of Conservation Districts. He is a dairyman and also a cattleman with a small cattle operation.

He has an irrigated and dry land small grain operation in that area of the Oklahoma panhandle, and he has dedicated much of his life to conservation work. He has been a cooperator for 32 years. He has served on the executive board of the Oklahoma Association of Conservation Districts for 6 years and he is currently serving his second term as president of that association.

We are very appreciative that he would take time to come and appear on behalf of the Oklahoma conservation districts and that association.

We are glad to have all three of you here this morning. I am going to, out of deference to Senator Jepsen, have the two gentlemen from Iowa speak first and then cut back to my good friend, Ervin Mitchell.

So we will begin. Mr. Gulliford.

## STATEMENT OF JAMES B. GULLIFORD, DIRECTOR, IOWA DEPARTMENT OF SOIL CONSERVATION, DES MOINES, IOWA

Mr. **Gulliford**. Thank you, Senator Boren.

My name is Jim Gulliford. I am director of the Iowa Department of Soil Conservation, and I appreciate this opportunity to offer testimony on soil conservation aspects for ag programs that reduce production.[1]

As a country, we entered this crop year with bin-busting grain surpluses, production trends that indicated we could expect increased crop production and continued spiraling surplus, and we really have not talked about it today, but recent trends of decreasing export market share for our ag products.

---

[1] See p. 52 for the prepared statement of Mr. Gulliford.

A gloomy forecast of low commodity prices and enormous surplus was an obvious prediction for the year, so this current year's payment-in-kind program was developed and implemented to reduce surpluses and support prices of the major grains produced in our country.

To comment on proposed legislation and recommend programs for the future, it is helpful to evaluate the positive and negative aspects, including soil conservation, of last year's program.

On the positive side, the PIK program will have resulted in a significant reduction of grain surplus when inkind payments are completed and market demand for the stored grain is met.

Prices of grains covered by the PIK program have strengthened, and these prices should hold through the winter and into next year's crop.

In many drought areas, such as a considerable portion of Iowa, PIK checks will be a welcome relief, or perhaps the only source of income for many farmers. The need for emergency relief would have been considerably higher had not many farmers participated.

In the area of soil conservation, the temporary setting aside of PIK acres has provided an excellent opportunity to install terraces, waterways, and other conservation practices on idle land during the entire growing season. In other years, soil conservation construction is limited principally to early spring before planting and late fall after harvest, and these seasons can be very short in typical years.

Finally, in many cases highly erosive lands have been taken from production for 1 year and, for the most part, soil erosion was reduced on that set-aside land.

However, not all of the effects of the PIK program have been positive. On the negative side, in some instances farmers idled the least productive acres from their base and then proceeded to till land that was steeper and more susceptible to erosion that was outside of their grain base. To qualify for PIK then, these acres were commonly put into soybeans or a more erosive crop than corn.

In other cases, farmers stayed out of the PIK program and planted as many acres as possible with little regard for erosion, with hopes of taking advantage of expected higher prices.

Now, while these are examples of exceptions rather than commonplace occurrences, they do illustrate how soil conservation problems have occurred in some cases.

A much more pressing concern of the present is the large number of acres that have already been tilled this year and expectations of even greater amounts of fall tillage of PIK ground to occur as farmers ready themselves early for planting next year.

Ever-changing cover requirements for PIK acres and acceptable tillage methods for weed control have resulted in the blackening of Iowa soils this year far more than in recent years. Our strong steps that have been made in reducing fall tillage are sliding backward in the State of Iowa.

Finally, commodity price increases that have occurred due to PIK are an attractive invitation to plant fence row to fence row next spring. Need on the part of many farmers to recover from the economic hardships of this year's drought may overcome their understanding of the impact that overproduction has on prices.

Now, I realize that some of the problems of this year's PIK program have been compounded by the severe drought. Yet, if you consider this year's PIK as a prototype of programs to come, a lot can be learned to improve this type of program for the future.

Specifically, more than anything else the USDA and farmers across the country need a longer planning horizon. More planning time for the farmers will better enable them to prepare their ground for next year's program. And I do not mean preparation by tillage; I mean by getting it ready for other conservation uses.

For example, fall seeding of some cover crops is superior to spring seeding and offers better protection during our most erosive times, our fall and spring rains.

Long-term planning better enables the agricultural industry that serves the farmer to supply the seed and chemicals needed for conservation as well as for production. This was a problem with this year's PIK program. Even now, as harvest is taking place, the farmer should have already made planning decisions for next year.

If indeed a commodity surplus reduction program is to have significant conservation benefits, it should be designed primarily for conservation because the production spinoffs will occur. It should be multiyear to provide stability and long-term set-aside of our most erosive acres, such as your bill.

Our current production capacity and soft export market make it painfully clear that we do not need the production from our marginal acres at this time. It does not make sense to destroy our land through erosion, to eliminate wildlife habitat and to increasingly reduce our timber base in many parts of the country to produce a crop that is going to sit in the bins.

We have the capacity and capability through our soil survey and land classification program to target this type of program to our least productive and most erosive acres, as is featured in Senate bill 998. Realize, however, that when you remove the less productive acres, you have less impact on production.

Considerable technical assistance and cost share will be necessary to assist the landowners in doing that. The $250 million figure of Senate bill 843 is not unrealistic when weighed against the conservation needs that exist and the willingness of farmers to install practices.

However, caution should again be used when providing cost share to insure that the Government does not waste money by putting terraces on ground too steep to be economically effective. The cost effectiveness of terracing land capability class IVe ground is marginal, and for classes VI, VII, and VIII is unacceptable. These land classes should be returned to permanent cover or such uses as timber or pasture.

Land put into conservation PIK should remain there—thus, the long term—and the incentive payment, whether it be cash or commodity, should be adequate to insure that. Provision to return conservation uses land to hay or pasture, such as offered in Senate bill 1053, subsection (d), if the PIK program terminates should not be necessary; only in the case of an emergency.

In conclusion, the lessons of this year's PIK can be used to develop a sound conservation set-aside for the future, and it probably will be needed if, like I say, we go fence row to fence row next year.

However, prior to initiation, the decision should be made on the part of Congress as to whether or not the intended result is to be surplus reduction with marginal conservation benefits or conservation results with surplus grain reduction benefits.

To achieve conservation benefits, necessary ingredients are long-term stability, targeting to the Nation's most erosive soils, funding to insure adequate technical and financial assistance, and commitment on the part of Government and landowners to see it through to effective implementation. Anything less will leave us in a position no better than the present.

Thank you.

Senator **Boren**. Thank you very much. I think you have made several excellent points, and especially the point about long-term planning because we are just not going to have the conservation benefit if we are left uncertain from year to year as to what the program is going to be. I think that is an excellent point.

Mr. **Gulliford**. Exactly. We have been reactionary; ag programs are reactionary rather than planning for the future and really setting what we expect the course of agriculture and conservation to be.

Senator **Boren**. Do you find that, in general, the erosion-prone land is the least productive land? In other words, the natural tendency in the PIK program is to take the least productive land out of production and idle those acres.

Is that likely to be the most erosion-prone land as well?

Mr. **Gulliford**. Well, in last year's PIK program that necessarily was not the case because the PIK program was set up for all agriculture in all parts; it did not target it at those erosive areas.

On the individual farm, if you had erosive acres, you would take those out of production. But if you did not but still participated in ag programs, you took very productive ground out when other farmers in other parts of the State were still tilling less productive areas.

Senator **Boren**. Right.

Mr. **Gulliford**. So I think we need to take advantage of the capability that has been developed over the years in the USDA through the soil survey to really target it to those erosive acres.

Senator **Boren**. Thank you very much. I appreciate your comments. I think they have been very valuable, and I know the other members of the committee are going to give some real attention to those as they read the record of these hearings.

I call at this time on Mr. Farris, who is chief of the Fish and Wildlife Division of the Iowa Conservation Commission. We are happy to have you with us this morning.

## STATEMENT OF ALLEN L. FARRIS, CHIEF, FISH AND WILDLIFE DIVISION, IOWA CONSERVATION COMMISSION, DES MOINES, IOWA

Mr. **Farris**. Thank you very much, Senator. I am very glad to be here.[1]

---

[1] See p. 55 for the prepared statement of Mr. Farris.

The Iowa Conservation Commission is very comparable to your Oklahoma Fish and Game Department.

I am Al Farris, chief of the Fish and Wildlife Division of the Iowa Conservation Commission, and also chairman of the Wildlife Habitat Protection Committee of the International Association of Fish and Wildlife Agencies.

Among other duties, the Iowa Conservation Commission is responsible for the management of the fish and wildlife resources of Iowa. The International Association of Fish and Wildlife Agencies is a volunteer organization composed of State, provincial, and Federal fish and wildlife managing agencies of the United States, Canada, and Mexico. Fish and wildlife agencies from all 50 States are members. My statement is made for both organizations.

The International Association and the Iowa Conservation Commission are concerned about the conservation of soil, water, and wildlife. Land retired from production in a set-aside program can be managed to reduce soil erosion, improve water quality, and provide wildlife habitat without negatively affecting the primary objective of a set-aside program.

However, programs of the last decade have failed to maximize these soil, water, and wildlife conservation benefits. Such failures have resulted because recent set-aside programs have utilized annual contracts which have forced farmers to maintain all possible future options on the set-aside land.

This, in turn, has meant that most farmers in the Midwest have typically put a light seeding on these set-aside acres late in the planting season and then have tilled this cover crop early in the fall. Set-aside acres managed in this manner have little or no value for abating soil erosion, improving water quality or providing wildlife habitat.

This summer, fish and wildlife agencies from 12 Midwest States conducted a survey of set-aside acres. This survey was conducted primarily to evaluate the value of the wildlife habitat on these acres. However, the results of this survey also have relevance for soil and water conservation.

This survey was conducted on 2,451 different fields in the States of Colorado, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. There were approximately 43 million acres taken out of production in these 12 States.

To summarize briefly the results of this survey, only 10 percent, or about 4.5 million acres, in these fields had established cover crops from previous years. Of course, these established cover crops provide maximum protection from soil erosion and good wildlife habitat.

The most disturbing finding from this survey was that 20 percent, or almost 9 million acres, had absolutely no cover crop whatsoever; they were bare dirt in June and July and, of course, offered no soil conservation benefits and no wildlife habitat.

About 37 percent, or 16 million acres, had what was termed natural vegetative cover that was previous year's crop stubble and volunteer vegetation or only volunteer vegetation, and these provided inadequate soil erosion protection and very, very little wildlife habitat.

About 32 percent, or 14 million acres, had newly seeded cover crops that provided less soil benefits than expected and poor wildlife habitat. In addition, in Iowa we found that by July 22, 11 percent of all set-aside fields had been destroyed by disking very early in the growing season, still with a lot of rainfall to come in a normal year.

Senator BOREN. Let me stop you just a minute. In other words, what was the proportion of the PIK set-aside land that you found that had really been put to beneficial use in terms of any kind of long range soil conservation or water conservation purpose or that would have provided real improvements in wildlife habitat?

Mr. FARRIS. About 10 percent.

Senator BOREN. About 10 percent of all this?

Mr. FARRIS. About 10 percent in those 12 States.

Senator BOREN. Only about 10 percent of the land that is being idled, according to your survey, had a conservation purpose attached to it?

Mr. FARRIS. That is right.

Senator BOREN. The rest of it was simply short-term production and supply reduction, but no real long-term conservation benefit?

Mr. FARRIS. That is right, and as I stated at the beginning, that is not necessarily the farmer's fault. That is because of the way the past programs have been structured. He has been forced to stay loose, stay fluid on those lands.

Senator BOREN. Again, the absence of any kind of long-term program that the farmer could rely upon.

Mr. FARRIS. That is right; that is absolutely correct.

Senator BOREN. That is an astounding figure. The shame of it is that we are missing such a great opportunity as we try to have a program for supply management; we are missing the conservation opportunity that could come with the program if we made some adjustments in it.

Mr. FARRIS. Absolutely, absolutely.

There are several reasons for this miserable record, but the most important cause is that recent set-aside programs, including 1983, have been annual programs that have been announced late in the winter or early in the spring and have not contained tough provisions mandating cover crops on all set-aside lands.

Consequently, the primary objective of the set-aside program has been met, but the program has not provided the desirable linkage between commodity and conservation objectives, and I think that is what this committee is discussing.

This linkage is desirable for several reasons: No. 1, to correct and prevent soil erosion; No. 2, to maintain and restore water quality; and, No. 3, to augment production and survival of wildlife while simultaneously producing the desired amounts of food and fiber.

Acreage set-aside programs must be developed that make it so that farmers can plan over a 3- to 5-year period instead of a 1-year-at-a-time situation like it is now, and so that commodity supplies are reduced by taking land out of production on a more sustained basis rather than the current situation where farmers are yanked back and forth between fence-row-to-fence-row production and massive set-aside programs.

The three bills being considered by this subcommittee approach the subject, and I think there is a possibility by taking pieces and parts of all of them that you could come up with a desirable program. I would like to address each one of them individually.

S. 998: The intent of this bill seems to be to take the erosion-prone cropland out of production. However, as written it does not preclude the Secretary of Agriculture from developing a program that uses strictly structural means or tillage practices to control erosion that would not take the land out of production.

Also, on some of these lands, structural and tillage practices are not adequate because they are so erosion prone. I feel a better approach would be to take these erosion-prone croplands and limit the program to permanent vegetative cover, such as grass, grass/legume combinations or trees.

Also, provisions should be made to limit the conversion of current noncropland to cropland by participants in this program. We feel that the provision in there for acres diverted to permanent, undisturbed conservation cover being still considered as part of the active cropping acres is a very desirable feature of this bill.

S. 1053: This bill would allow the Secretary of Agriculture to establish a supplemental conservation payment-in-kind program to remove land from production and put it into long-term conservation uses.

Again, a permanent vegetative cover should be required where no haying or grazing is allowed. Also, participants should not be allowed to convert noncropland to cropland while participating in the program.

S. 843: This bill seems to have as an objective the payment to producers for putting conservation practices on set-aside acres. Apparently, again, this could be structural practices or permanent vegetative cover, either one. This would help reduce soil erosion, but installation of structural practices would not reduce crop surpluses.

The Iowa Conservation Commission and the International Association of Fish and Wildlife Agencies think pieces and parts of these three bills should be combined with the following considerations to develop an acreage set-aside program.

No. 1, a required multiyear set-aside program of at least 20 percent of base acreage for each commodity; over the last two decades, the annual set aside program has averaged 20 percent.

No. 2, required establishment of a continuous cover crop on lands so set-aside and provisions to fund such establishment of these cover crops; acreages having established cover crops should be grandfathered into the program.

No. 3, no mowing or grazing should be allowed on the set-aside land except in case of national emergency, like we have seen in Iowa this summer.

No. 4, elimination of Federal incentives to convert noncropland to crop production while enrolled in a set-aside program.

Senator **Boren**. Would you make that a mandatory provision?

Mr. **Farris**. Yes, I certainly would. What happens is that an individual will take a piece of land that is being cropped, put it in set-aside, and turn around and plow up another piece of land that has been in grass and crop it. So, you really have not gained; you have just changed one acre for another acre.

Such a program would help achieve commodity price stability by reducing wide crop production fluctuations, help regulate crop overproduction, abate soil erosion, improve water quality, enhance wildlife habitat, and, probably most important of all, help provide farmers a longer, more stable planning framework.

Thank you very much.

Senator **Boren**. Thank you very much, Mr. Farris. Again, I think your testimony has been very helpful to us, and those statistics that you cited about the missed opportunities are, I think, going to make a real impact on the committee. I appreciate all the comments that you made this morning.

Mr. **Farris**. Thank you.

Senator **Boren**. Now, we will turn to Ervin Mitchell, whom I have already introduced for the record, the president of the Oklahoma Association of Conservation Districts. We are certainly glad to have you with us this morning.

### STATEMENT OF ERVIN MITCHELL, PRESIDENT, OKLAHOMA ASSOCIATION OF CONSERVATION DISTRICTS, BALKO, OKLA.

Mr. **Mitchell**. Thank you. I am glad to be here, Senator.

Mr. Chairman, I am Ervin Mitchell, president of the Oklahoma Association of Conservation Districts. This organization represents 89 conservation districts with almost 100,000 district cooperators who are implementing conservation plans on some 30,456,426 acres.

The goal of conservation districts in Oklahoma and nationwide is to control soil erosion to no more than 5 tons per acre per year. In Oklahoma, more than 43 percent of the cultivated cropland exceeds this figure.

1984 marks the 50th year of soil conservation in America. Even though conservation farmers have worked hard to reduce soil erosion to an acceptable level, there is still too much land yielding unacceptably high levels of sediment. We must do better in the next 50 years or the production of food and fiber in America will not sustain our population.

Mr. Chairman, I strongly support Senate bill S. 998. This bill deals directly with the problem we face today, and that is class IIIe, IVe, VI, VII, and VIII cropland. Because the United States does not have a consistent national policy on controlling erosion, the direction of our soil conservation program changes with each administration and often with each new Secretary of Agriculture.

Senate bill 998 offers long-term conservation agreements which last up to 10 years. This bill would have payments made to land users, taking into consideration the cost of establishing and maintaining conservation measures. Payments would be made either in cash or in kind of commodities. We particularly favor this proposal to utilize surplus commodities, since it would utilize soil fertility of the past and assure production for the future. The use of these commodities removes a heavy yoke from the necks of farmers.

Another feature of the bill is to safeguard the interests of tenants and sharecroppers. For many years, those land users have been penalized by using a large portion of their acreage base.

Senate bill 998 would allow the diverted acres to be considered a part of the base history as long as permanent cover is maintained.

That is all of my written statement, Mr. Chairman, but I would like to make some observations. As I left home yesterday morning and drove some 225 miles to Oklahoma City, as I went through Dewey and Blaine Counties which, Senator, you are familiar with——

Senator BOREN. Right.

Mr. MITCHELL. It had been seeded to wheat the week before last. There was acre after acre of it that had completely blown out. It is slick, just as slick as the floor. Since June 20, we have had less than 3 inches of rainfall in practically all of the State of Oklahoma.

Senator BOREN. Right.

Mr. MITCHELL. And you go some 300 miles to the southwest of us down around Lubbock, Tex., and on southwest there; they have had less than 2 inches of rainfall in the last 14 months. Mr. Chairman, I would point out to you that unless something happens drastically this winter by mother nature, the people in Washington, D.C., will more than likely be wiping dust from their dinner tables from this highly erodible land.

This is something I strongly urge, Mr. Chairman, that we get a conservation practice enacted on a long-term basis. We as farmers cannot operate on a year-to-year basis. I have to make decisions right now in my particular area, which is an area of approximately 21 inches annual rainfall.

I have to make decisions today as to what I will plant and put in cropland next summer. We cannot continue to operate on a month-to-month basis.

Senator BOREN. You simply cannot afford to convert to permanent cover not knowing what the program is going to be from year to year.

Mr. MITCHELL. That is exactly it.

Senator BOREN. It is a matter of economics that, economically, you simply cannot do that.

Mr. MITCHELL. I would agree with the gentleman here that says that we need this permanent cover. I would have to object on an economic basis to not being allowed to graze or to hay this. I cannot exist as a farmer on this basis.

Senator BOREN. I would suspect that the wildlife perspective and the farmer's perspective from an economic point of view might not be identical on that particular point.

Would you agree that we should have a mandatory provision that if a farmer participates in putting certain acreage into permanent cover, taking it out of production, that that farmer also should be banned from breaking out additional acreage that had not been plowed or planted previously?

Mr. MITCHELL. Yes, sir, I certainly would.

Senator BOREN. We are still seeing vast amounts of new land broken out every year in this country, and much of it is erosion-prone and should not be broken out. It is very disappointing to us to see us move in reverse gear, in essence, in this area.

Mr. MITCHELL. I might point out to you, Senator, I testified here on Senator Armstrong's bill, the sodbuster bill, out in Colorado last spring.

Senator BOREN. Right.

Mr. MITCHELL. We have seen that land that was broken out this year produce a tremendous amount of wheat; as high as 50 and 60 bushels to the acre on it. This is highly unusual, once in a lifetime. I think we will see next year that land coming this way.

Senator BOREN. Production is going to be way down and there is going to be a lot of erosion on that land.

Mr. MITCHELL. And this is the thing that we see happening, and I would strongly recommend that such land as this in the classes that were mentioned here, I think, by everyone who has testified—I would strongly recommend that it not be allowed to be broken out and receive payments.

Now, I would have to object, I guess, if you wanted to get down to the words "land use" on it. I, as a farmer, am like most farmers; I am independent and hardheaded. I like to do with that land what I would like to.

Senator BOREN. I did not know we had any Oklahoma farmers that felt that way.

Mr. MITCHELL. Still, I think we all recognize today that this cannot continue at this point.

Senator BOREN. I would gather that you would agree with the other two panelists of not penalizing the farmer in terms of his base for any kind of future production program as essential or the farmer is simply not going to be able to make that long-term commitment to taking that acreage out of production.

Mr. MITCHELL. I can go back just a few years, Senator, back there in my home county in Oklahoma where we had a soil bank with sowed in grass in the late 1950's and early 1960's. Most of it ran for a period of 10 years, and at the end of 10 years they came out with a directive that we either had to plant 80 percent of our wheat base or we lost it.

There were thousands of acres broken out that had been established. We need to see a policy that would eliminate this.

Senator BOREN. Right. Well, I gather from your testimony that you are disturbed about the direction in which we are going. When you look back 10 or 20 years, and you have been involved in the conservation program in Oklahoma now for more than 30 years, do you feel in the last decade we have made progress, or do you feel that we are in danger of sliding back in the last decade?

Mr. MITCHELL. We have made some progress, sir, but I would say the last 2 or 3 years, we have slid backward. I think we have seen more erosion. We have seen more highly erodible cropland broken out that should have been left in permanent cover. I really believe that in the last 3 years, we have slid backward some.

Senator BOREN. And, again, the economics of the last 3 years have been so harsh, with the cash flow so severely reduced in agriculture.

Mr. MITCHELL. Right.

Senator BOREN. I know in our State we now figure that the farmers owe approximately $15 billion, and they averaged $14 each per farm last year for $1 million of net income. So, farmers tend to find it very, very difficult to do the things they would like to do in terms of conservation practices when they are faced with trying to pay the interest on $15 billion with $1 million of net income.

There is no way to do that, and I think that is the reason it is so important that when we have these kinds of economic hard times that we make enough changes in the law to provide additional financial incentives for the long range, necessary conservation practices.

Mr. **Gulliford**. Yes. In a corn-soybean State such as Iowa, we found that the land that was purchased for these very high prices and at very high interest rates—it almost requires the farmer, unfortunately, to plant high-cash crops such as soybeans and corn to get enough return on it to pay his interest.

Senator **Boren**. Right.

Mr. **Gulliford**. And until we can make a set-aside payment that will be adequate to set that ground aside, that farmer unfortunately cannot participate.

Senator **Boren**. Right. Well, I appreciate all three members of the panel appearing this morning, and I assure you that your testimony will be very helpful to us. I know other members of the committee would like to have been present this morning, but we are all sort of caught in the same spot today with other committees actually marking up bills.

But I thank all three of you for being present today and your full statements will appear in the record.

Mr. **Gulliford**. Thank you, sir.

Mr. **Mitchell**. Thank you.

Senator **Boren**. We are going to go ahead and proceed with the next panel. I think Senator Jepsen will be returning, but if Mr. Wentz and Mr. Williamson will come forward, I apologize that they are now calling me for the Finance Committee so that probably in the course of your testimony, Senator Jepsen will probably return. If I have to absent myself, let me apologize to you in advance for that.

We are very glad to have with us Lonnie Williamson, secretary of the Wildlife Management Institute, Washington, D.C., and Alan Wentz, director of the Fisheries and Wildlife Division of the National Wildlife Federation here in Washington.

I hope I got both of those correct, and we are happy to have both of you. We invite you to either give your full statements or summarize your statements, as you would desire, and if you do so, we will put the full statements into the record.

## STATEMENT OF LONNIE L. WILLIAMSON, SECRETARY, WILDLIFE MANAGEMENT INSTITUTE, WASHINGTON, D.C.

Mr. **Williamson**. Thank you, Mr. Chairman. I am Lonnie Williamson and I will give you a brief version of my statement if the full statement will be put into the record.[1]

I worked with this committee more than a decade ago to help devise the set-aside provisions for the 1973 Agricultural Act. As a matter of fact, I think the last time I testified here, it was with another distinguished gentleman from Oklahoma in the minority, Mr. Henry Bellmon, who chaired the committee.

---

[1] See p. 58 for the prepared statement of Mr. Williamson.

Senator **Boren**. That is correct.

Mr. **Williamson**. The legislative history of that act, without question, in our view, shows that set-asides were to be used for conservation as well as production control purposes. However, we have seen successive administrations over the years disregard the conservation aspects of that act and subsequent pieces of legislation, and set-aside lands have not been planted to cover as they should have been, as you have heard Mr. Farris testify to just a moment ago.

Therefore, we feel that Congress is going to have to mandate an appropriate set-aside program that includes conservation as well as production control benefits. That legislation, we believe, can aid fish and wildlife, as well as water quality, without impeding soil conservation achievements.

[Whereupon, Senator Jepsen resumed the chair.]

Mr. **Williamson**. The bills before the committee already have several provisions that we think would help accomplish the dual purposes mentioned on erosion-prone lands. We believe, however, that they may be improved by adding some of the following elements.

We think the legislation should require that land be set aside and treated for a multiple-year period and that this is important because the areas targeted, in fact, probably should never be tilled. They should be maintained in cover crops or trees in perpetuity.

That way, these lands can contribute to production in the long run without ultimately being destroyed. For such lands, we believe that at least a 10-year acreage set-aside is a minimum, and that landowners should not have the option of withdrawing from the contract. This way, both the landowner and the taxpayers would know up front what to expect and would be assured that investments in treatments would produce at least some of the desired results.

We think that the legislation should require that continuous vegetative cover be established and maintained throughout the contract period, and also specify that the type of vegetation planted should control soil erosion, should protect water quality, and should provide some wildlife habitat.

We believe that an ultimate bill out of this committee should require that mowing or grazing of established vegetation should be timed to benefit wildlife, such as nesting birds, except, of course, in counties where national emergencies are declared because of drought or other reasons.

We believe that the legislation should say that the 1983 policy of allowing landowners to manage recreational access, including charging user fees on set-aside lands, should be continued. We think it should require participation of soil conservation, water quality, agri-business, forestry, fishery, and wildlife interests in actions taken by the ASCS and national, State, and county committees.

We think it should eliminate the use of any Federal incentives for reconverting the treated, erodible land to row crop production.

Mr. Chairman, the institute strongly supports the objectives of the bills before the committee today and we urge the committee to give our recommendations serious consideration in order to make the final legislation more beneficial to the public interest.

Thank you.

Senator JEPSEN. Thank you, Lonnie Williamson. I am pleased to see you include all the folks and the impact on the various groups. As both of you know, that is what we have been working on, with some at least small steps in the right direction.

We have had people sit down and talk together meaningfully about the future and about the objectives of farm policy, which includes, of course, conservation of not only the soil, but also wildlife preservation and conservation of water resources.

I was pleased to hear you refer several times to the quality of water. I think that is something that all of us ought to move within our own activity and our own research and our own presentations up to the front burner in our presentations and communications with the general public so that we go at it here with a double or triple or quadruple barrel here—soil conservation, water resources, water pollution control, water resource conservation, wildlife preservation, and wildlife conservation.

This consensus thing that was talked about earlier here and that I referred to with Senator Bumpers—we have talked about that a lot of times and that is why we are trying to get everybody together. It is what makes things happen, and I appreciate that.

I do not have any further questions. Your testimony will all be entered into the record. Have you given yours?

Mr. WENTZ. No, I have not.

Senator JEPSEN. All right. Alan Wentz, director of the Fisheries and Wildlife Division, your testimony will be entered into the record and you may proceed in any way you so desire.

## STATEMENT OF ALAN WENTZ, DIRECTOR, FISHERIES AND WILDLIFE DIVISION, NATIONAL WILDLIFE FEDERATION

Mr. WENTZ. Thank you, Mr. Chairman. I will shorten my testimony. While my written testimony does not address Senate bill 843, my remarks would apply to that legislation, also.[1]

As you know, the federation is the world's largest conservation education organization. We have approximately 4 million members and supporters, including 51 affiliated State and territory-wide organizations, including the Iowa Wildlife Federation.

Anyone who has been close to the land will recognize that our Nation does have a very serious soil erosion problem. Many of the acres that have been converted to cropland should never have been plowed.

When marginal lands are put into crop production, as we have already pointed out several times today, the result is an increase in soil loss and fish and wildlife habitat destruction both onsite and offsite.

We were particularly pleased to hear you reference water quality, Mr. Chairman. That is a subject of great interest to the National Wildlife Federation, as is the Clean Water Act. We have been working very hard on that particular provision on non-point-source pollution problems.

---

[1] See p. 60 for the prepared statement of Mr. Wentz.

The solution to this problem, of course, is to establish permanent vegetative cover on many of the marginal and erosion-prone croplands, as has been proposed by this legislation.

The agricultural conservation program of the Agricultural Stabilization and Conservation Service has distributed approximately $8 billion since 1936. According to the recent Office of Technology Assessment study, "Impacts of Technology on U.S. Cropland and Rangeland Productivity," the conservation accomplishments of ACP have been questionable since the funds have been distributed to all producers rather than directed toward the most susceptible or erosion-prone lands.

As a result, ACP cost sharing has invested too little in the most efficient conservation practices. The legislation under consideration will help to correct these problems and improve cost efficiency in preventing soil erosion and long-term productivity degradation if ACP resources are directed at the highest risk lands.

The federation supported these same concepts in a resolution passed at our annual meeting in Albuquerque, N. Mex., last March. That resolution asks that all acres set aside in a Federal program be planted to vegetative cover and that these acres be managed for conservation benefits.

The resolution also makes the point that State and local ASCS committees should make every effort to see that this program provides such conservation benefits as wildlife habitat, sediment retention and erosion and water control. This idea, of course, has received widespread support by conservationists of all types for many years.

The 1983 payment-in-kind program carried the promise of great potential for wildlife and other conservation purposes. Unfortunately, the evidence that has accumulated thus far indicates that PIK has been damaging to many wildlife habitats.

Since PIK came into effect, I have had the opportunity to visit numerous States and made a point of discussing the PIK program with knowledgeable farmers and conservationists. The story has been the same in every case: PIK has not helped wildlife and in numerous cases it has fostered the destruction of natural habitats.

In some cases, PIK lands have been left barren or they have been tilled, and Mr. Farris addressed that point in his survey from the Midwestern States. In some cases where cover crops were established, they were mown or otherwise disturbed at the peak of upland bird nesting seasons.

Where wildlife biologists expected to see increases in wildlife production, they often were disappointed by the actual on-the-ground practice that left wildlife without a home. Certainly, there are PIK acres where farmers who care about wildlife planted cover crops and are maintaining them for wildlife and soil-building benefits, as Mr. Farris has pointed out already.

An even more disappointing aspect of the PIK program has been its fostering of habitat destruction. In numerous States we have received reports that the profits of PIK have resulted in clearing and draining of wetlands, plowing of native rangeland and pastures, and clearing of woodlands.

Such activities have been done in the speculation that crops grown on these newly converted lands would result in rapid windfall profits, and that the cropland could eventually be added to the landowner's base acreage, which would then allow increased subsidies in the future.

In at least one State, Tennessee, our affiliated organization, the Tennessee Conservation League, has exposed apparent fraudulent practices whereby a number of landowners are receiving benefits from the PIK program on illegally cleared and leveed bottomlands where the land was not in production prior to the initiation of PIK.

In this case, PIK payments have encouraged wetlands loss and may be providing an incentive for further drainage and destruction of important bottomland wetlands. All of these activities not only hurt wildlife and environmental quality; they defeat the original purpose of the entire PIK program.

In spite of the problems with PIK, most conservationists still believe that a well-designed set-aside program that links commodity and conservation programs would be beneficial to the Nation.

Commodity and conservation programs were closely linked when these programs were formed in the 1930's, but from the 1940's on, the programs have moved further and further apart. Linking these two program areas together is essential to a successful solution to the problem of overutilization of erosion-prone land.

Implementation of these laws at the county level is unlikely unless Congress makes it very clear that conservation purposes are of equal statute with commodity purposes. Stricter guidelines that require county committees to adhere to congressional priorities and select eligible practices that provide conservation benefits are needed.

Otherwise, pressure at the local county committee level will result in a continuation of the historical trend where funds are allocated to short-term production-oriented practices or very temporary conservation practices. We suggest that strong report language be added to this legislation giving guidance to the U.S. Department of Agriculture to see that these programs be fully implemented.

We believe that if the Department of Agriculture will make a sincere effort to work with conservation-minded farmers, State wildlife agencies, and local, State and national conservation groups, a program that will benefit the economy, farmers, wildlife and the environment can be designed.

Mr. Chairman, we want to thank you for holding this hearing and for helping to bring public attention to this very important problem.

Senator Jepsen. Thank you for your remarks. I want to thank you both for taking time and submitting these for the record. We are building a good record with all the hearings that we have had, and it continues to look better and better. We are also tightening the screws, I can assure you, daily on the USDA.

We are trying to at least take a step in the right direction immediately with some type of pilot program for 5 years of set-aside acres, including all of the things that we are interested in. We are making progress little by little, but the continual communication and, for lack of a better word, gentle pressure, I think, is beginning to show a little bit. So, I am hopeful.

Even though they testify and say they cannot do this and they want to wait until 1985, we are still thinking we may get some of this pilot program to embody the principles and the ideas that have been offered both in our September 3 meeting and others.

You know, like anything else, if you believe and perceive something to be so or you start thinking about something, that is the first step toward making it happen. And if we can not only think about it but get something actually into a pilot program, that is that breakthrough type of action that has to take place in a bureaucracy to get something moving.

I thank you for your continued input and effort.

Mr. **Wentz**. Thank you.

Neil Sampson, Bob Gray, and Norm Berg. Those who are first shall be last and those who are last shall be first; we have saved the best for last. I do not think I need to introduce this panel.

Neil Sampson is executive vice president of the National Association of Conservation Districts. Robert Gray is the director of policy development of the American Farmland Trust.

Is that the one that Senator Bumpers was saying his wife keeps sending money to?

Mr. **Gray**. Yes.

Senator **Jepsen**. Norman Berg is with the Soil Conservation Society of America.

Welcome. All three of you are time-tested, blue-chip giants of the things we are trying to do here in soil and water conservation. I appreciate your taking the time to come today, and you may proceed.

Your testimony that you have in writing will be entered into the record as if read and you may proceed in any manner which you so desire.

## STATEMENT OF NEIL SAMPSON, EXECUTIVE VICE PRESIDENT, NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS, WASHINGTON, D.C.

Mr. **Sampson**. I thank you, Mr. Senator. I guess since I am listed first, I will lead off and then Bob and Norm can shoot at that.[1]

I would like to give a slightly different approach than our written testimony. We do support two of the bills that are here as essential parts of what we need to do. I think we have testified enough times that you realize that we believe these essential bills need to be put into law.

The long-term set-aside in S. 998, with perhaps some variations to make it more clearly a land retirement program as well as a conservation contracting program, is a very important part. And the ability to add a conservation element to any future PIK program would certainly be a good addition. It would at least relieve the administration of the responsibility of explaining why it was not able to do that the next time.

---

[1] See p. 64 for the prepared statement of Mr. Sampson.

I think, though, it is important that we look at the total approach, as you were doing in your Joint Economic Committee hearings, because I cannot help but think as I sit here that it was almost 10 years ago right now that we became aware of the Russian wheat purchases of the early 1970's which moved American agriculture into such dynamically different directions.

I am afraid that we have to rethink an entire policy. The country looked to those exports as the answer to two or three decades of chronic surpluses and chronic farm policy problems based on surpluses, and looked to those markets as the salvation of American agriculture.

When I take a look at the financial condition of American agriculture today, and how it has changed over the last 10 years, and the way in which land use conditions and the soil erosion problems have changed, I just do not think we can stand another decade of such prosperity, Mr. Chairman. I am not so sure we can stand another 2 years of it.

So, it seems to me that we really have to seriously think about the fate of an agriculture that is tied to a whiplash game like this situation has created for us. And I must confess that while I get somewhat short of patience at the administration's inability or professed unwillingness on some of the conservation programs, you also have to feel sorry for a Secretary of Agriculture whose programs have been buffeted by such dynamic changes in weather and world economic conditions as Secretary Block has seen.

I think this period will go down in history as one that really changed our views as to what national farm programs must be.

Let me just mention three things that I see as absolutely essential. This committee has worked hard to get a sodbuster bill, S. 663, ready for passage. We simply have to get that into law so that additional marginal lands are not brought in to continue to abuse both the commodity programs and the conservation programs.

Next, it seems to me that we need a voluntary set-aside capability in the law. An initial proposal for that has been drafted and a piece of legislation is now over on the House side, and I commend it to your attention. It seems to me that we simply have to have a program that allows farmers who are willing to set aside lands voluntarily, or to put a more soil conserving crop rotation into effect, to do so without being penalized by the base acreage situation as each new set-aside program comes in.

You know, the programs by themselves have not been so bad; the major problem is the process of getting in and out. Every time we get into a new farm program, we penalize the person who has been trying to do the soil conservation job and reward the person who is farming fence to fence. Unless we can change that, there is simply no way to break the vicious cycle of soil exploitation, it seems to me.

We have proposed a certified, voluntary set-aside program that would allow farmers, during the years when there is no mandatory set-aside, to go ahead and retire marginal land, then claim credit for it, and have that acreage on the books in case a mandatory set-aside program comes in.

It costs the Government nothing but a little recordkeeping and the commitment to the fact that they are going to stay in the business of keeping track of acreage. I think that is a foregone conclusion, given the history that we have faced, and that we need to face that decision directly.

Third, of course, we need a long-term set-aside on those most erodible lands, and S. 998 talks about this.

In conclusion, Mr. Chairman, I want to thank you for your leadership in this whole area, and reiterate once more what I think we are all feeling. On at least two out of those three elements that I have talked about, the voluntary set-aside program and the long-term conservation reserve, we are being told by the administration that it cannot be done.

I think it is time that they come up with a better idea. I really think it is important that Secretary Block propose something positive that recognizes the problems that we have got, and that assures us that the missed conservation opportunities in the 1983 PIK will not simply be repeated. We need a better idea.

If those of us from the outside and those of you on Capitol Hill are forced to do this over the kicking and screaming protests from downtown, the ability of any program to be implemented properly out in rural America is going to be severely compromised, and I think we know that.

It is time the Secretary and his staff brought us a more positive proposal, and I hope that message can be made loud and clear.

I appreciate this chance to come before you.

Senator **Jepsen**. Thank you.

Bob.

## STATEMENT OF ROBERT GRAY, DIRECTOR, POLICY DEVELOPMENT, AMERICAN FARMLAND TRUST

Mr. **Gray**. Thank you very much, Mr. Chairman. I appreciate the opportunity to testify today. And without sounding redundant to some of the things that Neil said, I would like to emphasize a couple of points.[1]

I would first like to commend you for the statement that you made this morning. I concur fully with that. As you know, we have been talking about the conservation reserve idea for some time.

I can also sense some frustration on your part, and frustration from other members of the subcommittee and Senator Bumpers, that the word does not seem to quite get there downtown. I think they are listening to us down at USDA, but I am not quite sure that they agree fully or want to do some of the things that we have been recommending.

But I believe that we should be moving on both the sodbuster bill and the conservation reserve idea, even if we move on a pilot project on the conservation reserve during the months ahead, setting the stage for the 1985 farm bill.

I think that these two programs really need to be started immediately if we are ever going to integrate soil conservation into the commodity programs.

I would just like to spend just a couple of minutes, Senator, on some of our recommendations. When our report comes out in a few weeks, we will be making about 25 to 30 key recommendations and I would just like to go over a few of those this morning as they pertain to the problem that the committee has been addressing.

---

[1] See p. 66 for the prepared statement of Mr. Gray.

First of all, I think that we are going to have to group our soils in this country into probably three major groups based upon their land capabilities, and then to target our efforts based upon the grouping of those three soils.

As I have laid it out on that chart in front of you, group 1, of course, is our very best soils. And even though we certainly would not discourage farmers from putting conservation practices on group 1, as you can see, they are well below the tolerance level for erosion. The Federal Government should not be putting money into group 1 soils; certainly, as I said, not discouraging any conservation efforts on it.

Group 2, of course, are very good soils in land capability classes II and III, and some of capability IV, as a matter of fact. But that is where we need to do most of our targeting and cost sharing; that is where we need to get contour strip cropping, terraces and conservation tillage, minimum and no till, into those groupings.

As a matter of fact, we are recommending that the variable cost-sharing program that has been tried on a trial basis by USDA—we feel that they should probably expand that greatly in the years ahead because that offers an incentive. It gives them the flexibility of giving the farmer a higher payment under the cost sharing to get them into some of these conservation practices. We think that is very, very important.

We also think that there should be a stronger push in USDA to encourage more minimum and no till on these group 2 soils.

Now, the group 3 soils—you are very well aware of what we are recommending there. On a lot of those that have been brought on line in the last few years, a great deal of that acreage should come out.

The gentleman here from Oklahoma this morning was making, I think, a very good point. In fact, Neil has made this point before. In the Great Plains region where they have broken out a lot of this very poor quality soil, it has been—up until this summer, it has been very damp out there. They have had more moisture in the last couple of years than they have ever had in the past.

Now, this summer, of course, as he pointed out, they have only had an inch or two of rain and a lot of that highly erodible land will probably start to blow not only this fall, but next spring if a sufficient cover is not on it.

So, that is why I think it is important now that they start a conservation reserve idea. They can even target it on the wheat diversion program, announce it very quickly, and start to get some of that land under permanent cover.

Of course, on the far right of this chart—as you are well aware again, on the sodbuster bill we feel that that should be implemented right away to discourage more of this land coming in.

If we do not do those two things in tandem, obviously, we are going to have an open-ended account here in the bill in terms of taking land out. If it continues to come in, we will have millions and millions of acres that we will put in a reserve. So, we have got to really discourage more of it from coming in.

Just looking briefly at the 1985 farm bill, I think at that point we need to get a very strong conservation element in the very front part of the bill. I do not think the conservation title should be title 15 this time; I think it should be either in title 1 or title 2 where the commodities programs are so when you start reading the farm bill, you do not have to read three-quarters of the way through it before somebody even starts to talk about conservation.

It should be tied in with any of the commodity programs so if they make a decision on either a set-aside or any other kind of major decision on commodity programs, they have to consider soil conservation.

You will note in our recommendations that one of the things we think needs to be done at USDA is that the conservation policy has got to be elevated to the deputy secretarial level. There has to be a committee at that level so that conservation element gets heard in these commodity decisions.

At this point, they are not in that hoop. When decisions are made on commodities, no one is really there to speak for soil conservation. So, we are recommending that either legislatively or administratively USDA will elevate that particular policy question to a level so that it is taken into account each time that commodity decisions are made.

Last, Mr. Chairman, I know you were quite interested in the survey that AFT completed with 700 farmers this summer. In the very back part of my testimony, I have included a number of the policy positions that farmers have taken, and they have got everything that you have been talking about and that this subcommittee has been talking about, and the Joint Economic Committee that you chaired in hearings back in June.

The conservation reserve idea is in there. Cross-compliance is supported by these 700 farmers; targeting is supported by these farmers—right down the line, almost every issue that has been discussed.

Last week, Norm and I testified over on the House side on the legislation that Neil was referring to. Every one of the groups that testified there that day agreed with the need to move on the sodbuster legislation and the conservation reserve idea almost immediately. So, we have got a consensus there.

Some of these other things that I talked about can be done in the 1985 farm bill, but these two priorities, I think, need to be started right now.

I appreciate the opportunity to testify.

Senator JEPSEN. Thank you.

Norm.

## STATEMENT OF NORMAN A. BERG, WASHINGTON REPRESENTATIVE, SOIL CONSERVATION SOCIETY OF AMERICA

Mr. BERG. Mr. Chairman, it is late in the day and we appreciate this opportunity.[1] I have been impressed with the witnesses, and especially appreciative of the fact that you and Senator Boren and

---

[1] See p. 85 for the prepared statement of Mr. Berg.

Senator Bumpers joined to endorse the concern that we have long had.

As you are probably aware, the Soil Conservation Society is trying its best to do things through its membership, and this latest special edition on conservation tillage is an example of the concern and the interest that we have in this field and the very practical application of what needs to be done.

Because of the support of agri-business, four firms that contributed, we were able to give this edition to every conservation district in the country. Of course, our membership gets this as part of their affiliation with the society, and we have also made this available to key members of the Government at all levels and Members of Congress.

I just got a note from Walt Peechatka, who is our executive vice president, and we will explore the possibility of doing a special issue, if we can find the funding, on non-point-source pollution control that is coming to the foreground again as a major concern and is of interest to a lot of people and will affect rural America.

Now, we who have sat in this chair or have experienced over many years the dynamic conditions that continually face agriculture should not be too surprised to find ourselves in a totally different setting than when we last appeared before your subcommittee in late June.

We know the circumstances that led to a lot of conditions that were not totally anticipated, but we now find ourselves with the September estimates of crop yields, and because of a combination of very drastic weather conditions and the set-asides, including PIK, they are estimating a corn crop being slashed 48 percent; soybean and rice production predicted to be down a third.

The wheat crop did come through as one of the better crops that we have had in the last 5 years because it was well along before we got the very severe conditions. But now what do we do at this stage?

Obviously, any Federal crop reduction program for 1984, where the Government is going to give surplus commodities, rather than cash to farmers in return for leaving their farms idle will be more limited than it was this year.

But the concept has been established that this payment-in-kind is valid and it is of use to improve agriculture. There are many farmers out there that participated in PIK who, if they are in a drought area, are going to be around next year because of it, and we need to recognize that this is an advantage.

But had the legal provisions of these bills on your agenda been in place, I think we could have utilized, and many land users would have utilized, the opportunity to do more conservation work on a short-term basis and start toward a more long-term conservation effort.

It is even more obvious, of course, since last June when you had your Joint Economic Committee hearings and the hearings here in this subcommittee that we do need better Government policies. They have to be flexible, but to the extent that they need to send a signal to the land users that they are long range and compatible with other programs that affect them, this will be helpful.

Above all, of course, we need policies that solve problems instead of leading to more problems. The quest is to enact farm policies that are more compatible and directly supportive of good land use, along with the objectives of those particular policies.

I feel personally, and I said this last June, that had the RCA and PIK been more tightly coupled in planning and in implementation, with some of the evidence that we had from 5 years of work on the RCA activities, and had there been some provisions for some of this year's land use decisions to have been long term, the gains could have been quite dramatic in this decade.

I know personally—and I have a copy of a memorandum that was supplied me from the Department early in February—that both the heads of ACSC and SCS were trying to get the attention of their top-level people to look at some of the things that we are talking about here in terms of the use of conservation PIK idea, and it did not get the necessary attention.

We know that they did not want anything to disturb the way in which the program was being interpreted, the signup and all that sort of thing. But the forethought that was being given by some of the people concerned about conservation, as I view it now, was pretty well ignored.

In 1983, if S. 843, S. 998, and S. 1053 had been law, they would have given the Secretary authorities that I think land users would have benefited from, and the conservation activities would have been the gainer.

So, the Soil Conservation Society supports their enactment because we want to be ready the next time this comes, and we will then head off the answer that we got from the Department this time that we just could not do it because we did not have the authority.

Well, we know the efforts that Government has done in conservation all these years and the amount of money, public and private, that has been spent. I want to commend the people that represent the conservation districts.

We had a good friend here that I worked with for years from Oklahoma, and when he speaks as he does for those 89 conservation districts in that State, these people are trying to tell us what they know at their level and how they are concerned.

I know that too about the 100 conservation districts in your State and the 76 in Arkansas that are concerned that some of this begins to make more sense than what we have had in the past.

We also sense that the introduction of these legislative proposals, including S. 663, early in this first session of the 98th Congress recognized the problem and, I think, added concern that something more be done.

We know that there are millions of acres that we have to deal with that we did not have in a serious soil loss condition a decade ago, and there are many reasons that this happened.

Therefore, SCSA strongly supports early enactment of S. 663. We like what your committee did at the last markup session, and it simply seems to us that as a starter we should not permit Federal moneys to add to our soil loss problems on these highly erodible lands.

That still leaves the big problem that you are addressing from here on out, what to do about the serious soil and water conservation problems in those areas that represent our most valuable lands. It is in our 415 million acres of cropland.

There are areas that we do not have to spend as much time and attention on. I do not think we should be misled by the 5-ton-per-acre figure because there are some soils that cannot stand even that much soil loss.

But the latest we have from the Department was released at the Soil Conservation Society's annual convention in Hartford in August. We had hoped they would give us more information from the 1982 inventory, but they did point out that the rate of soil loss nationwide apparently has grown no worse since the last inventory in 1977.

But they cautioned that until we have the State-by-State erosion data, and that is still being compiled, we may find that in several States we have an even more serious problem. That national tons-per-acre-per-year figure of 4.82 that they released there included only the water-caused erosion, not that caused by wind.

This was slightly below the 1977 figure of 5.07 tons per acre per year, but they cautioned that this drop is not statistically significant and was within the margin for error in the survey methods.

I personally believe that some of the Great Plains States may suffer much worse wind erosion than they have had in the past for reasons that we have heard today.

Once all that survey work is done, and I hope it is fairly soon—and that is partly dependent on the computer work at Iowa State University—we will know the latest about soil loss in the major farm States and on fragile lands. Then we can begin to get more meaningful attention on a site-specific basis.

We still rely on the 1977 data that showed about a third of our cropland had excessive erosion and at rates that are slowly impairing the land's productivity. Now, the proposals to do something about this are still in discussion. There are a lot of things that we have talked about this past year.

We know that farmers are not waiting for answers from the Government. They are moving ahead with their reduced tillage systems, and many, many farms of the future will be based on better residue management.

We do know there is a good land capability classification system that has been in place for a long time that has not been fully utilized. Therefore, to the extent possible, Federal Government programs should endorse that land be used within its capability and treated according to its conservation needs.

Hopefully, we will have, from the 1983 land use and production adjustments some benefits for soil and water conservation, although obviously they are going to be temporary. And as we listened to some of the evidence this morning, it is disturbing that it did not do as much as it should have.

It depends on how it was managed, and we understand that USDA has oversight underway and hopefully we will know more about that before the end of the year.

But to the extent that S. 843, S. 998, and S. 1053 would encourage in the future the planning and application of the most effective conservation treatment on high-priority lands, they should be in place.

We certainly support and endorse the Farmland Trust and other organizations that are supporting as a starter to get some experience on a conservation reserve, and then have something in place that will take the most erodible lands out for a longer period of time.

I would like to have the committee consider putting in the record what we did in the RCA in the second part of the appraisal. I am not asking that this volume be inserted, but I would call attention to the chapter that dealt with the laws that are in place as we examine the soil and water conservation work.

Chapter 14 deals with the Federal laws that have come well over five decades to do something about soil and water conservation, and the objectives that they were dedicated to. That did not include the title of the 1981 Farm Act because that had not yet been signed into law, so that added to the capability.

But it is of interest that in all of this material, there was apparently nothing that provided for a conservation PIK or a long-term conservation reserve. I know the problems of getting commodity and conservation programs tracking together, but it is evident by what we have done here and what we have now in the way of ability, that we still need more.

Not enough is being done about what we have, but we still have not exhausted the opportunities.

We appreciate the opportunity to be here and we will help your committee in any way we can. Thank you.

Senator JEPSEN. Well, I thank you. Does anyone have any statement in closing that they would like to put in the record?

Mr. GRAY. Mr. Chairman, I would just like to ask a question. I know that you and Senator Melcher and Congressmen Jones and Coleman jointly offered a letter to Secretary Block on a pilot conservation reserve and I wondered if you had received a reply on that at this point.

Senator JEPSEN. Karla, can you answer that? I know of none.

Ms. PERRI. We received a reply, but it was incorporated into the Department testimony at the hearings on the House side last week, in which they stated they would not favor it.

Senator JEPSEN. I have met, as you may or may not know, with Assistant Secretary Lesher on organization and the problems there. Then I met last Thursday with Deputy Secretary Segal, Bud Rank, and Tom Conway from the Office of General Counsel, and representatives for congressional affairs at both the Department and agency levels.

Then prior to this meeting this morning, I met with the three gentlemen, Goldberg, Rank, and Orin Hanson. So, now we do have the Assistant Secretary at the Department level on commodity programs involved, which we probably should have done earlier.

We have bent the ear of about everybody up and down the line, and I know how the Secretary feels about it. The Secretary is a strong advocate of soil conservation. I expect that we will have a meeting with some OMB people, and that probably will be a confrontational-type thing, by way at least of questions of why and why not.

I think that is probably my next step as I am trying to bring these things together and to get some action before we start moving on the 1985 farm policy. Waiting until then, I think, would be very harmful. We will lose some of the momentum collectively that I think we have got by way of structured thinking and support.

So, we are trying to lay that on, so any ideas you may have or anything that you may do that we do not know about it by way of contact with the USDA, I would appreciate it only for one reason, and that is collectively being able to continue to consolidate and analyze and evaluate where we are at and what might be next.

Mr. **Gray**. We will be glad to supply any information or anything you need, Mr. Chairman.

Senator **Jepsen**. Thank you very much.

In closing, I would ask that the record remain open for the balance of this working day to receive testimony from the National Association of Counties.[1]

The meeting is now adjourned.

[Whereupon, at 12:24 p.m., the subcommittee adjourned, subject to the call of the Chair.]

---

[1] See p. 89 for the prepared statement of the National Association of Counties.

# APPENDIX

---

## STATEMENT OF HON. WALTER D. HUDDLESTON
## A U.S. SENATOR FROM KENTUCKY

Mr. Chairman, the Soil and Water Resources Conservation Act of 1977, legislation that I introduced, required the Department of Agriculture to conduct an extensive appraisal of our nation's soil and water resources. The Act--known to most of us as the "RCA"--also requires the Secretary of Agriculture, using the appraisal information, to develop and implement a national soil and water resource conservation program.

As a result of the RCA, there is a growing awareness of the problems we face in conserving our nation's natural resources. To address these problems, the Department of Agriculture needs a wide variety of programs and authorities.

A key element in the National Soil and Water Resource Conservation program should be a payment-in-kind program that would reimburse farmers for part of the cost of conservation practices, as provided in the bills before us today.

Although it is unlikely that surplus commodities will be available every year to provide payments-in-kind for conservation practices, a responsible conservation program should be authorized to allow the use of surplus commodities in years when they are available.

I look forward to reviewing the testimony to be presented here today by the Administration and other witnesses.

-----

## STATEMENT OF HON. DAVID L. BOREN
## A U.S. SENATOR FROM OKLAHOMA

Mr. Chairman, I commend you for calling this hearing on S. 998, the Special Cropland Conservation Act, S. 843, the Conservation Program for Idled Acres, and S. 1053, the Supplemental Conservation PIK program. These bills are designed to address a critical problem facing our nation--the rapid loss of soil.

An integral part of our food and agricultural policies must be the conservation and wise use of our land and water resorces. The most critical resource problem identified in the 1980 RCA appraisal was soil erosion occurring at rates that could reduce the sustained productive capacity of agricultural lands.

We are losing the equivalent of 1.01 million acres of cropland annually to erosion, according to the national agricultural lands study. Some of the most productive agricultural areas of the United States are also those having the most serious and chronic erosion-related problems. Nearly 3 billion tons of soil erode from the Nation's cropland each year, thereby reducing the agricultural productive capacity of this Nation. Over the next 50 years, productivity losses due to soil erosion could equal the output of 25 to 62 million acres of cropland, or production of 50 to 75 million metric tons of grain annually.

The conservation programs that we have in place today have helped to reduce erosion over the past years. Yet, it is obvious there is a need for more to be done. It is estimated that 40 percent of the conservation job, in all aspects, remains to be done in my home State of Oklahoma. I would suspect that similar situations exist for many other States.

The bills we are discussing today will give the Secretary of Agriculture additional tools to effectively combat our Nation's erosion problem. As the author of S. 998, the Special Cropland Conservation Program, gives the Secretary the authority to implement a special conservation program for erosion-prone cropland. Under the program, the Secretary would provide technical and financial assistance to owners and operators of erosion-prone cropland. Essentially, the program is patterned after the Great Plains conservation program. Participation in this program is not dependent upon participation in an acreage reduction program, as is the case for Senator Cochran's bill, S. 843. This program is designed to allow for conversion of erosion-prone cropland to permanent cover and other treatments which require a number of years. Lands eligible for the Special Cropland Conservation Program are those croplands in classes IIIe, IVe, VI, VII, and VIII under the land capability classification system used by the Soil Conservation Service. A key aspect of this program is the flexibility it gives the Secretary of Agriculture to finance the program as the Secretary could make the payments in cash or in-kind commodities. At times when Government surpluses of commodities are high, this will allow the Secretary to use the commodities for payments under this program.

Mr. Chairman, we must take action now to protect and maintain the productivity of agricultural lands through actions that prevent gradual degradation caused by excessive soil erosion. If we are to produce an adequate supply of food for home and exports, we simply must maintain high-quality soil resources. I urge the Committee to move forward on adopting these measures.

## Facts and Figures Concerning Soil Erosion

*We are losing the equivalent of 1.01 million acres of cropland annually to erosion.

*In the 10 Great Plains States, wind erosion results in the loss of an additional 240,000 acre equivalents.

*Soil erosion by water and wind is reducing the productivity on 141 million acres, that is, 1 out of every 4 acres.

*Nearly 3 billion tons of soil erode from the nation's cropland each year.

*Over the next 50 years, productivity losses could equal the output of 25 to 62 million acres of cropland, or production of 50 to 75 million metric tons of grain annually.

*USDA estimates that more than a third of the nation's cropland is eroding at an unacceptable rate, a rate which reduces the long-term productivity of the land.

*Combined water and wind erosion exceeds tolerable levels for maintaining soil resources on almost 300 million acres of non-federal cropland, pastureland, forest land, and rangeland.

*For cropland, the combined wind and water erosion totals 2.8 billion tons each year, for a per acre average of 6.8 tons annually.

## Oklahoma

*Sheet, rill, and wind erosion is more than 5 tons per acre per year on 43 percent of the cultivated cropland.

*On an average, all Oklahoma cropland annually loses more than 7 tons per acre--an average of 4 tons erode due to water and an average of 3.43 tons erode due to wind erosion.

*Wind alone causes over 35 million tons per year to erode from Oklahoma cropland.

*40 percent of the conservation job remains to be done in Oklahoma in all respects, including watershed protection and land treatment.

*Approximately 5.9 million acres of Oklahoma cropland needs conservation treatment.

*The Great Plains program provided $1,206,722 in fiscal year 1982 for 125 new contracts in Oklahoma. Yet, 347 applications were not approved because of a lack of funding. We have a 3 year back-log for this one program.

-----

## STATEMENT OF HON. DALE BUMPERS
## A U.S. SENATOR FROM ARKANSAS

Mr. Chairman, I appreciate greatly the opportunity to be here today to testify about my bill, S. 1053, and soil conservation.

I would like to thank the distinguished Chairman for his presence here today--his expertise and leadership in the soil conservation field is widely known. I also wish to commend Senators Boren and Cochran for their conservation bills, S. 998 and S. 843, and for their substantial efforts to focus our attention on the severe problem of cropland erosion.

I am particularly pleased that this subcommittee has deemed our bills worthy of this hearing, because the promotion of soil conservation is not glamorous. The sacrifices necessary for successful promotion are immediate and costly, yet the rewards are often realized only years later. That is why I am pleased that we, today, have come to share our concerns and seek solutions on an issue that will grab no headlines, to ensure that the nation our children and grandchildren inherit is worthy of inheritance, and to ensure the future productivity of America's greatest natural resource--our agricultural lands.

It is unfortunate that soil erosion is not a front page issue because the statistics of the threat would stun most Americans. Estimates are that we have already irretrievably lost one-third of all the top soil on our cropland in use today, and this trend can only accelerate due to the intensiveness of modern agriculture. Numerous studies have conclusively documented the dramatic decrease in yields on land suffering from high erosion levels; when management levels remain constant, erosion severely threatens productivity, often reaching such critical levels that not even massive inputs can restore the loss of fertility.

Throughout the United States, the annual rate of erosion on the 413 million acres of cropland averages 4.7 tons per acre, with average sheet and rill erosion losses alone on cultivated cropland (not including land in hay) projected at 5.07 tons per acre. Although a recent USDA news release cited a preliminary drop from 5.7 tons per acre to 4.8 tons per acre of average soil loss from sheet and rill erosion, the direc or of the resources inventory, Jerry Lee, termed the drop insignificant. Since soil conservationists generally accept 5 tons per acre as the maximum rate of loss with which indefinite and economic productivity can be maintained, one can readily comprehend the seriousness of a national average loss which approaches 5 tons per acre.

On 10% of the nation's cropland, the rate of loss is ten tons or greater. Cropland that is losing ten tons per year will lose its entire plow depth (six inches) in 100 years. It will take between 100 and 1,000 years just to replace one inch of this lost topsoil. The Soil Conservation Service estimates that the U.S. loses between 3 and 5 billion tons of topsoil from cropland every year from all categories of erosion--that is, sheet, rill, gully, streambank, irrigation, and wind--with nearly 2 billion tons lost due to sheet and rill erosion alone. Of the major agriculture states, four states--Tennessee, Iowa, Missouri, and Mississippi--average in excess of ten tons of soil loss per acre every year, and 16, including Arkansas, exceed five tons of soil loss per acre per year. In the Delta States region (Arkansas, Mississippi, and Louisiana), the average annual rate of loss due to sheet and rill erosion is in excess of seven and a half tons per acre, with Mississippi suffering in excess of 11 tons per acre. Our neighboring state of Tennessee averages a loss of 16.53 tons per acre.

Using a different statistical measure, the nation is losing in excess of one million acre-equivalents (acre-equivalent is 6 inches or 1,000 tons) to sheet and rill erosion just on cropland classified as experiencing severe erosion rates. Wind erosion in the ten Great Plains States (the only area that measures wind erosion) would add another quarter million acre-equivalents to this figure. It is projected that by the year 2030, 62 million acre-equivalents will be lost to sheet and rill erosion and wind erosion in the Great Plains States. This doesn't even include soil losses due to gully, streambank, and irrigation erosion, nor wind erosion outside the ten Great Plains States.

In my state of Arkansas, cropland erosion is a serious problem. Of our total area of 34 million acres, 23%, or nearly 8 million acres, is in cropland. On the average, this cropland acreage loses 50 million tons of topsoil to sheet and rill erosion, which accounts for 55% of all sheet and rill erosion in the state. The average sheet and rill erosion rate is 6.38 tons per acre, and it is estimated that if all the sheet and rill erosion losses of our cropland in Arkansas over a year's time were stacked on one acre, it would form a column of soil 5.5 miles high. Between one-third and one-half of the soil loss from our cropland enters our lakes, streams, and rivers, and is the major contributor to our water pollution.

According to the 1977 National Resources Inventory, in Arkansas 4,776,000 acres out of 5,825,000 non-irrigated acres were in need of erosion control work. Besides sheet and rill erosion our irrigated acres also suffer soil loss due to the particular action of irrigation.

Another concern of equal importance is the need to encourage a reduction in the number of acres in agricultural production. In the mid-70s, the need for American commodities seem limitless, especially in the export market. Farmers were encouraged to put every acre to the plow, and as late as 1981 economists in the Economic and Statistics Service of USDA were predicting that "while we still have to deal with excess production in some years, we have probably reached the end of the long adjustment to chronic overproduction and depressed prices that characterized the U.S. agriculture for most of this century." Nothing could have been further from the truth. Entering 1983, our carryover stocks of cotton were at the highest levels since 1967, wheat stocks were up 50% from 1981, rice carryover totaled one-third of all production, and soybean and corn carryover stocks were the largest in history. Of course, the PIK program has had a positive effect on our commodity stock levels, but the potential for massive overproduction is still with us.

In order to help our farmers combat the ravages of soil erosion, and also to encourage farmers to take land out of production and put it into long-term conservation use, I introduced S. 1053. My bill was intended to complement the PIK program by taking advantage of the golden opportunity afforded with nearly 82 million acres voluntarily taken out of production.

S. 1053 will offer in-kind incentive payment to producers who will put land into long-term conservation use with a minimum lifespan of 5 years. The Secretary would be given the option of designating eligible uses although the establishment of permanent vegetative growth would be preferable. Studies by the Missouri Experiment Station at Columbia found that annual soil loss per acre was 9 times higher for fields rotated between corn, wheat, and clover than for those planted in permanent grasses. This figure jumped to 33 times higher for cropland in wheat, 66 times higher for land in continuous corn, and 137 times higher for land with no cover.

Under my bill, the Secretary would be authorized to make available to producers in-kind commodities up to the cash value of $25,000, although the Secretary would be authorized to make higher payments should he find that the $25,000 level is clearly inadequate in battling the severe erosion problems of an individual producer, or when a large tract of land will be dedicated to long-term conservation use. S. 2053 is intended to take advantage of the Agricultural Conservation Program of the ASCS, with technical assistance from the Soil Conservation Service, and the in-kind payment under my bill are to be used to cover the cost of establishing the use as well as for maintenance costs over the minimum lifespan.

Estimates for placing and maintaining an acre of land in a conservation use of permanent vegetative grasses for five years range from $350 to $500, depending upon the type of grasses and other materials used. Thus, for $25,000 a producer can dedicate from 50 to 70 acres. As added incentives, the producer may consider any land dedicated to long-term conservation use under S. 1053 as part of the eligible farm base for any future required or voluntary set-asides, as long as the land remains in the use; and the producer will have the freedom to cut hay or graze livestock on the participating conservation acreage if this is compatible with the long-term conservation objectives.

Without a doubt, the severe problem of soil erosion must be addressed now if we are to maintain our agricultural productivity well into the 21st Century. A long-term conservation program not only will aid in the struggle against erosion, it also will allow us to remove marginal land that should not be in crop production, and thereby, lessen the threat of yearly massive surpluses being acquired by the government. We must prepare for the future, because tomorrow will be too late to solve tomorrow's crisis.

-----

# STATEMENT OF RICHARD GOLDBERG, DEPUTY UNDER SECRETARY, INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and Members of the Subcommittee, my name is Richard Goldberg. I am Deputy Under Secretary of International Affairs and Commodity Programs, U.S. Department of Agriculture. On behalf of Secretary Block, I appreciate the opportunity to appear before you today to discuss the Administration's position on three bills: S. 843, to establish a conservation payment-in-kind program; S. 998, the "Special Cropland Conservation Act"; and S. 1053, the "Supplemental Conservation Payment-in-Kind Program".

Before proceeding on these bills let me restate the Department of Agriculture's strong commitment to the conservation of our basic natural resources of soil and water. On December 21, 1982, the President submitted the National Program for Soil and Water Conservation. This program was the result of years of effort to respond to the Soil and Water Resources Conservation Act. The National Program called for increased targeting of technical and financial assistance, and we have called for greater consistency between production-oriented programs of the Department and the aims of conservation.

The immense interest in the Payment-In-Kind (PIK) Program of the Department has spawned a number of efforts to adapt this concept to soil and water conservation; the bills before you today are an example. Within the Department we conducted extensive reviews of many proposals linking PIK to specific conservation actions. We have underway an evaluation of the soil losses on Conservation Use Acreage (CUA), including PIK acres, to determine the effects of CUA-type programs on conservation. We expect this report to be available by mid-November.

Secretary Block and the Department are committed to a strong soil and water conservation program. But, I must add, it must continue to be one whose cost is within our means during these years of large deficits in the national budget.

S. 843 would authorize the Secretary to make conservation payments, in cash or in kind, to producers who carry out approved conservation practices on acreage which is diverted from production under the wheat, feed grain, upland cotton, and rice programs which are formulated in accordance with the Agricultural Act of 1949. S. 843 would also authorize the Secretary to make conservation payments, in cash or in kind, to soybean producers who carry out approved conservation practices on acreage which is diverted from production under an acreage limitation program established for soybeans under the 1949 Act or the

Commodity Credit Corporation Charter Act. It should be noted that neither of these Acts specifically authorize an acreage limitation program for soybeans.

S. 998, the "Special Cropland Conservation Act," would authorize the Secretary of Agriculture to establish a special cropland conservation program for erosion-prone cropland, whereby the Secretary would assist the owners and operators of such land to make an orderly change in their cropping and land-use systems and to implement the conservation treatment needed to conserve the soil and water resources.

S. 998 would also authorize the Secretary to provide technical assistance and cost-share payments, in cash or in-kind, to owners or operators of erosion-prone land (Classes IIIe, IVe, VI, VII, or VIII under the Land Capability Class System of the Soil Conservation Service) which has been cultivated or in rotation in three out of the past five years. Participants would enter into agreements with the Secretary of up to ten years in length.

Like S. 843, S. 1053 proposes making incentive payments to producers who devote acreage to long-term conservation uses. However, S. 1053 is more limited in applicability than either S. 843 or S. 998, in that eligibility for assistance is limited to producers participating in a basic PIK program. S. 1053 would require the Secretary to use surplus agricultural commodities to make supplemental payments-in-kind to producers who divert acreage from the production of agricultural commodities under a basic PIK program and devote such acreage to conservation uses for a minimum of five years. The in-kind payments would be provided along with technical assistance for cost sharing in order to establish conservation uses, but with an annual limit per producer of $25,000 based on fair market value of the commodities.

Both S. 998 and S. 1053 contain provisions that would allow the acreage to be considered as planted to a program crop for purposes of establishing history for future commodity programs and to be considered eligible for designation as conserving use acres for so long as the acreage remains under agreement.

The Department of Agriculture opposes the enactment of S. 843, S. 998 or S. 1053.

The Agriculture and Food Act of 1981 governs all production adjustment programs through the 1985 crop year. Both S. 998 and S. 1053, while having strong conservation components, are essentially production adjustment programs. It is the view of the Department that it is premature to enact this kind of legislation at this time. Any consideration of a long term set-aside or conservation reserve should come in 1985 in preparation for the Omnibus Farm Bill and be evaluated as a part of the overall needs for production adjustment.

S. 998 provides for payment-in-kind or cash and authorizes the Secretary to use the funds, facilities, and authorities of the Commodity Credit Corporation (CCC) to carry out the program authorized by the bill. The Department strongly opposes the use of CCC borrowing authority to carry out conservation measures. Such expansion of the use of CCC borrowing authority would be a significant departure from existing practice. The use of CCC borrowing authority has been for commodity price support activity whereas conservation funding has been acquired through the appropriation process. The Department already includes some compensation for required conservation practices in price support benefits. Additional funding for conservation practices should be acquired through the normal appropriation process. Again, we oppose this expanded use of CCC resources for non-price support activities.

S. 843 also calls for in-kind payments, as well as cash payments, to be made to producers to compensate them for applying approved conservation practices on acreage diverted from production. These in-kind payments would be in addition to the already announced PIK program. The justification for making in-kind conservation payments is based on the assumption that there are substantial quantities of government-owned commodities that would provide a lower-cost means of funding conservation activites. However, this will no longer be true after current PIK obligations are satisfied and we are uncertain of the quantities of commodities that will be available in the future.

S. 1053 directs the Secretary to use surplus stocks of CCC commodities to make payments to producers. It is silent on what to do if no surplus commodities exist.

The Secretary has announced a limited PIK program for wheat in 1984, and he has indicated there likely will be no other PIK programs in 1984.

We believe that the dialogue we have begun here today can lead to a better understanding of the long-term effects of acreage reduction programs on soil and water conservation. In preparation for the 1985 Omnibus Farm Bill, the Economic Research Service has undertaken a study of the costs and regional effects of the use of a Conservation Reserve as a part of a production adjustment program. Preliminary results are expected in January 1984.

Mr. Chairman, now is not the time for enactment of S. 843, S. 998 or S. 1053. Let us continue to dialogue to see if a practicable, cost-effective program can be developed that will embrace both the long-term conservation objective and the production adjustment objective that we both seek.

Thank you and I will be happy to answer any questions at this time.

## STATEMENT OF JAMES B. GULLIFORD, DIRECTOR
## IOWA DEPARTMENT OF SOIL CONSERVATION

Senator Roger Jepsen and members of the Agriculture Committee's Subcommittee on Conservation, Forestry, and the Environment.

I am James B. Gulliford, Director of the Iowa Department of Soil Conservation. I appreciate this opportunity to offer testimony on the soil conservation aspects of this year's PIK program and conservation suggestions for agricultural programs to reduce production in the future.

As a country, we entered this crop year with bin-busting grain surpluses, production trends that indicated we could expect increased crop production and continued spiraling surpluses, and recent trends of decreasing export market share. A gloomy forecast for commodity prices was an easy and obvious prediction for the future.

This year's 'payment-in-kind' program was developed and implemented to reduce surpluses and raise the prices of the major grains produced in our country. To recommend programs for the future, it is helpful to evaluate the positive and negative aspects of this year's program.

On the positive side:

1. The PIK program will have resulted in a significant reduction of surplus grains when in-kind payments are completed and market demand for this stored grain is met.
2. Prices of grains covered by the PIK program have strengthened, and these prices should hold through the winter and into next year's crop.
3. In many drought areas, such as a considerable portion of Iowa, PIK checks will be a welcomed relief, or perhaps the only source of income for many farmers. The need for emergency relief would be considerably higher had not many of the farmers participated.
4. The temporary setting aside of PIK acres provided an excellent opportunity to install terraces, waterways, and other conservation practices on idled land during the entire growing season. In other years, soil conservation construction is limited to early spring before planting, and late fall after harvest.
5. And finally, in many cases, highly erosive lands were taken from production for a year; and for the most part, soil erosion was reduced on set-aside land.

However, not all of the effects of the PIK program have been positive. On the negative side:

1. In some instances, farmers idled the least productive acres of their base, and then proceeded to till land that was steeper and more susceptable to erosion (not contained in their base). To qualify for PIK, these acres were commonly put into beans, a more erosive crop than corn.

   In other cases, farmers stayed out of PIK and planted as many acres as possible (with little regard for erosion) with hopes of taking advantage of expected price increases.

   While these are examples of exceptions rather than commonplace occurences, they illustrate how soil conservation problems did occur in some cases.

2. A much more pressing concern of the present is the large number of acres already tilled and expectations of even greater amounts of fall plowing of PIK ground to occur as farmers ready themselves early for next year, and work to control weeds this fall.

   Fluidity of cover requirements on PIK acres and acceptable tillage methods of weed control, rather than herbicide treatment, are blackening Iowa soils far more than in years past.
3. Finally, price increases that have occurred due to PIK are an attractive invitation to plant fence row to fence row next spring. Need on the part of many farmers to recover from the economic hardships of this year's drought may overcome their understanding of the impact of overproduction on prices.

Some of the problems built into this year's PIK program have been compounded by the severe drought. Yet if you consider this year's PIK as a prototype of programs to come, a lot can be learned to improve this type of program for the future.

Specifically:

1. More than anything else, the USDA and farmers across the country need a longer planning horizon. More planning time for the farmer will better enable him/her to prepare ground for next year's program.
   --Fall seeding of some cover crops is superior to spring seeding and offers better protection during spring rains.
   --Long-term planning better enables the industry that serves the farmer to supply the seed and chemicals needed for conservation as well as production.
   --Even now, as harvest is taking place, the farmer should have already made planning decisions for next year.
2. If indeed a commodity surplus reduction program is to have significant conservation benefits, it should be designed for conservation.
   --It should be multi-year to provide stability and a long-term set-aside of our most erosive acres. Our current production capacity and weak export markets make it painfully clear that we do not need the production from our marginal acres at this time.
   --We have the capability through our soil survey and land classification program to target this type of program to our least productive and most erosive soils, as is featured in S. 998. Realize, however, that when you remove the "less productive" acres, you have less impact on production.
   --Considerable technical assistance and cost-share will be necessary to assist landowners. The $250,000,000 figure of S. 843 is not unrealistic when weighed against the conservation needs and willingness of farmers to install practices. However, caution should be used when providing cost-share to insure that the government does not waste money by putting terraces on ground too steep to be effective. The cost effectiveness of terracing land capability class IVe ground is marginal and class VI, VII, and VIII is unacceptable. These land

classes should be returned to permanent cover or such uses as timber or pasture.

--Land put into conservation PIK should remain there, and the incentive (cash or commodity) should be adequate to insure that. Provision to return 'conservation uses' land to hay or pasture (S. 1053, subsection (d)), if the PIK program terminates should not be necessary.

In conclusion, the lessons of this year's PIK can be used to develop a sound conservation set-aside for the future. However, prior to initiation, the decision should be made as to whether or not the intended result is to be surplus reduction with conservation benefits, or conservation results with surplus reduction benefits.

To achieve conservation benefits, necessary ingredients are long-term stability, targeting to the nation's most erosive soils, funding to insure adequate technical and financial assistance, and commitment on the part of government and landowners to see it through to effective implementation. Anything less will leave us in a position no better than the present.

## STATEMENT OF ALLEN L. FARRIS, CHIEF, FISH AND WILDLIFE DIVISION, IOWA CONSERVATION COMMISSION

I am Allen L. Farris, Chief of the Fish and Wildlife Division of the Iowa Conservation Commission and Chairman of the Wildlife Habitat Protection Committee of the International Association of Fish and Wildlife Agencies. Among other duties, the Iowa Conservation Commission is responsible for the management of the fish and wildlife resources of Iowa. Because of these duties, the Conservation Commission is concerned with promoting wildlife habitat, soil conservation, and improvement of water quality. The International Association of Fish and Wildlife Agencies is a voluntary organization composed of the state, provincial, and federal fish and wildlife managing agencies of the United States, Canada, and Mexico. Fish and wildlife agencies from all 50 of the United States are members. Among the International Association's objectives is the promotion of balanced, rational, and professional management of fish and wildlife resources. My statement is made for both organizations.

The International Association of Fish and Wildlife Agencies and the Iowa Conservation Commission are concerned about the conservation of soil, water, and wildlife. Land retired from production in a set-aside program can be managed to reduce soil erosion, improve water quality, and provide wildlife habitat without negatively affecting the primary objective of a set-aside program. However, programs of the last decade have failed to maximize these soil, water, and wildlife conservation benefits. Such failures have resulted because recent set-aside programs have utilized annual contracts which have forced farmers to maintain all possible future options on the land set aside. This in turn has meant that most farmers in the midwest have typically put a light seeding on these set-aside acres late in the planting season and then have tilled this cover crop early in the fall. Set-aside acres managed in this manner have little or no value for abating soil erosion, improving water quality, or providing wildlife habitat.

This summer fish and wildlife agencies from twelve midwest states conducted a survey of set-aside acres. The survey was conducted primarily to evaluate the value of the wildlife habitat on these set-aside acres; however, the results of this survey have relevance to soil and water conservation also. This survey was conducted on a total of 2,451 fields from the states of Colorado, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. There were about 43 million acres taken out of production in these 12 states. The most disturbing finding from this survey was that about 20 percent or approximately 9 million acres were bare soil (fallow) during the June and July survey periods. This means these 9 million acres were totally unprotected from wind and water erosion and, of course, provided no wildlife habitat. In 7 of the 12 states, over 10 percent of the set-aside acres surveyed were in such a fallow condition. This year's set-aside program allowed the option of "natural vegetative cover." Such natural vegetative cover amounted to crop stubble from the previous year and volunteer vegetation or volunteer vegetation growing on fields tilled the previous fall. More than 16 million acres (37 percent) in the 12 states surveyed fell in this category. Only a small percentage of these fields provided adequate wildlife habitat because the cover was sparse or spotty and many of these fields were disturbed either by mowing or discing. It can also be concluded that these fields with "natural vegetative cover" were more susceptible to soil erosion than fields with established cover crops. Approximately

14 million acres (32 percent) had been newly seeded with a cover crop. However, many of these newly seeded fields offered very little wildlife habitat (only 16 percent were classified as good to excellent wildlife cover) and provided less soil erosion benefits than expected. For example, in Iowa these newly seeded fields were typically seeded with a light seeding of oats late in the planting season (May or June) and then either mowed or disced during the growing season. Approximately 11 percent of all set-aside fields in Iowa had been destroyed by discing prior to July 22. Of the approximately 43 million acres set aside in these 12 states in 1983, only about 10 percent or 4.5 million acres had old, established cover crops on them when first checked during mid-June. These established cover crops on these fields, of course, provided the greatest protection from soil erosion and the greatest benefits as wildlife habitat. Over 80 percent of these fields with old established cover were rated as good or excellent wildlife habitat in Iowa.

To summarize:

- Approximately 43 million acres were set aside in 12 midwest states in 1983.
- Only 10 percent or about 4.5 million acres were in fields with established cover from the previous year, and these cover crops provided maximum protection from soil erosion and good wildlife habitat.
- About 20 percent or 9 million acres had no cover crop at all and provided no soil conservation or wildlife habitat benefits.
- About 37 percent or 16 million set-aside acres had the previous year's crop residue and volunteer vegetation or only volunteer vegetation as a cover crop and provided inadequate soil erosion protection and very, very little wildlife habitat.
- About 32 percent or 14 million set-aside acres had newly seeded cover crops that provided less soil erosion benefits than expected and poor wildlife habitat.

There are several reasons for this miserable record, but the most important cause is that recent set-aside programs, including 1983, have been annual programs that have been announced in late winter or early spring and have not contained tough provisions mandating cover crops on all set-aside lands. Consequently, the primary objective of the set-aside program has been met, but the program has not provided the desired linkage between commodity and conservation objectives. This linkage is desirable to (1) correct and prevent soil erosion, (2) maintain and restore water quality, and (3) augment production and survival of wildlife while simultaneously producing the desired amounts of food and fiber. Acreage set-aside programs must be developed that make it so (1) farmers can plan over a three to five year period instead of one year at a time and (2) commodity supplies are reduced by taking land out of production on a more sustained basis rather than the current situation where farmers are yanked back and forth between fence row to fence row production and massive set-aside programs.

The three bills being considered by the Subcommittee approach the subject but not completely.

S.998. The intent of this bill seems to be to take erosion-prone cropland out of crop production. However, as written, it does not preclude the Secretary of Agriculture from developing a program that uses strictly structural means or tillage practices to control erosion that would not take the land out of crop production. Also, structural and tillage practices are not always adequate on highly erosion-prone land. A better approach on these erosion-prone croplands would be to limit the program to permanent vegetative cover such as grass, grass/legume combinations, or trees where no grazing or haying takes place during the contract period. Also, provisions should be made to limit the conversion of current noncropland to cropland by participants in this program. Acreages diverted to permanent undisturbed conservation cover should be considered as active cropping acres as proposed in the bill.

S.1053. This bill would allow the Secretary of Agriculture to establish a supplemental conservation payment-in-kind program to remove land from production and put it into long-term conservation uses. Again, a permanent vegetative cover should be required where no grazing or haying is allowed. Also, participants should not be allowed to convert noncropland to cropland while participating in this program.

S.843. This bill seems to have as an objective the payment to producers for putting conservation practices on set-aside acres. Apparently this could be used for structural practices or permanent vegetative cover. This would help reduce soil erosion, but the installation of structural practices would not reduce crop surpluses.

The Iowa Conservation Commission and the International Association of Fish and Wildlife Agencies urges the Committee to consider developing an acreage set-aside program that incorporates the following features:

1. A required multi-year (three to five years) set-aside program of at least 20 percent of the base acreage for each commodity. Over the last two decades, the annual set-aside has averaged 20 percent.

2. Required establishment of a continuous cover crop on land so set aside and provision of funding to establish such cover crops. Acreages having an established cover crop prior to 1984 should be grandfathered into the program.

3. No mowing or grazing should be allowed on set-aside land except in case of emergency.

4. Elimination of federal incentives for converting noncroplands to crop production while enrolled in the set-aside program. Such a program would help achieve commodity price stability by reducing wide crop production fluctuations, regulate crop overproduction, abate soil erosion, improve water quality, enhance wildlife habitat, and provide farmers a longer, more stable planning framework.

## STATEMENT OF LONNIE L. WILLIAMSON, SECRETARY,

## WILDLIFE MANAGEMENT INSTITUTE

Mr. Chairman:

I am Lonnie L. Williamson, secretary of the Wildlife Management Institute which is headquartered in Washington, D.C. The Institute was created in 1911. Staffed with professional resource managers, its sole purpose is to promote restoration and improved management of wildlife and associated natural resources.

Fish and wildlife are no longer necessities for human existence in America as they once were. They now are generally considered amenities that greatly enhance the quality of human life. They also are viewed as a gauge of the nation's character and competence. Their presence is an indication of our ability to prosper as a nation, because, the diversity and abundance of fish and wildlife unquestionably reflect the way we treat our natural resources. And those resources are the origin of our wealth.

But America's fish and wildlife are much more than amenities and indicators, they are an economic asset of significant degree. A 1980 study by the Departments of the Interior and Commerce revealed that fish and wildlife-related recreation was a $40 billion industry that year and was thus bigger than General Motors. Consequently, the habitat that produces this wildlife is an important commodity. When it is degraded or destroyed, the industry looses money in addition to the public recreation foregone. Likewise, when habitat is created or improved, the reverse is true.

Agriculture affects more wildlife than any other land use. In modern times, large-scale and intensive agriculture has been especially devastating. The losses of fish and wildlife habitat to current agriculture practices is a concern second only to the tremendous waste of soil being suffered. Therefore, pending legislation designed to curb unacceptable soil erosion can and should be designed to give taxpayers extra dividends on their investment. This legislation can aid fish and wildlife conservation as well as water quality without affecting soil conservation achievements.

S. 998 and S. 1053 already have several provisions that would help accomplish the dual purposes mentioned on erosion-prone lands. We believe, however, that they can be improved by strengthening or adding the following elements:

1. Require that the lands be set-aside and treated for a multiple-year period. This is important because the areas targeted, in fact, should never be tilled. They should be maintained in cover crops or trees in perpetuity. That way they can contribute to food and fiber production in the long run without ultimately being destroyed. For such lands, we believe that at least 10-year acreage set-asides is a minimum and that landowners should not have the option of withdrawing from the contract. This way, both landowners and taxpayers would know up front what to expect and be assured that investments in treatments would produce desired results.

2. Require that continuous vegetative cover be established and maintained throughout the contract period. Also, specify that the types of vegetation planted must control soil erosion, protect water

quality and provide wildlife habitat.

3. Require that mowing or grazing of established vegetation should be timed to benefit wildlife, such as nesting birds, except in counties where national emergencies are declared because of drought or other reasons.

4. Continue the 1983 policy of allowing landowners to manage recreational access, including charging user fees on set-aside land.

5. Require participation of soil conservation, water quality, agribusiness, forestry, fisheries and wildlife interests in actions taken by ASCS national, state and county committees.

6. Eliminate the use of any federal incentives for reconverting the treated erodible lands to row crop production.

Mr. Chairman, the Institute strongly supports the objectives of S. 998 and S. 1053. We urge the Committee to give our recommendations serious consideration in order to make the final legislation more beneficial to the public interest.

## STATEMENT OF W. ALAN WENTZ, PH. D., DIRECTOR, FISHERIES AND WILDLIFE DIVISION, NATIONAL WILDLIFE FEDERATION

Mr. Chairman, my name is Alan Wentz. I am the Director of the National Wildlife Federation (NWF) Fisheries and Wildlife Division.

The NWF is the world's largest conservation-education organization. NWF has over 4 million members and supporters including 51 affiliated state- and territory-wide organizations. NWF and our members have a long standing interest in agriculture and its relation to fish, wildlife, and environmental quality. We have passed numerous resolutions and taken positive actions to protect and maintain prime farmlands and rangelands. We also have closely examined agricultural activities that have had negative impacts on fish and wildlife, wildlife habitat and environmental quality.

I grew up on a farm in northwestern Ohio and I hold a B.Sc. degree in Agriculture (Biological Conservation) from The Ohio State University. From 1975 to 1980 I was employed as Extension Wildlife Specialist with the South Dakota Cooperative Extension Service.

I have had direct experience in working with agricultural programs both on the farm and in my capacity with the Extension Service. I do not claim to be an expert on how farm programs work, but I do see a great need for legislative action such as that embodied in S. 998 and S. 1053.

Anyone who has been close to the land recognizes that our nation has a serious soil erosion problem. Many acres that have been converted to cropland should never have been plowed. When marginal lands are put into crop production the result is an increase in soil loss and fish and wildlife habitat destruction both on- and off-site. The solution to this problem is to establish permanent vegetative cover on marginal and erosion-prone cropland as proposed by this legislation.

The Agricultural Conservation Program of the Agricultural Stabilization and Conservation Service (ASCS) has distributed approximately $8 billion since 1936. According to the recent Office of Technology Assessment study "Impacts of Technology on U.S. Cropland and Rangeland Productivity," the conservation accomplishments of ACP are questionable since the funds have been distributed to all producers rather than directed toward the most susceptible or erosion-prone lands. As a result ACP cost sharing has invested too little in the most efficient conservation practices. S. 998 and S. 1053 will help to correct these problems and improve cost efficiency in preventing soil erosion and long-term productivity degradation, if ACP resources are directed at the highest risk lands.

NWF supported these same concepts in a resolution passed at our annual meeting in Albuquerque, NM last March (copy attached). That resolution asks that all acres set aside in a federal program be planted to vegetative cover and that the acres be managed for conservation benefits. The resolution also makes the point that state and local ASCS committees should make every effort to see that this program provides such conservation benefits as wildlife habitat, sediment retention, and erosion and water control. This idea has received widespread support by conservationists for many years.

The 1983 Payment-in-Kind (PIK) program carried the promise of great potential for wildlife and other conservation purposes. Unfortunately, the evidence that has accumulated thus far indicates that PIK has been damaging to many wildlife habitats. Since PIK came into effect I have visited numerous states and made a point of discussing the PIK program with knowledgeable farmers and conservationists. The story has been the same in every state -- PIK has not helped wildlife and in numerous cases it has fostered the destruction of natural habitats.

In many cases PIK lands have been left barren or they have been tilled. In some cases where cover crops were established they were mown or otherwise disturbed at the peak of upland bird nesting seasons. Where wildlife biologists expected to see increases in wildlife production they often were disappointed by the actual on-the-ground practice that left wildlife without a home. Certainly there are PIK acres where farmers who care about wildlife planted cover crops and are maintaining them for wildlife and soil building benefits.

An even more disappointing aspect of the PIK program has been its fostering of habitat destruction. In numerous states we have received reports that the profits of PIK have resulted in clearing and draining of wetlands, plowing of native rangeland and pastures, and clearing of woodlands. Such activities have been done in the speculation that crops grown on these newly converted lands would result in rapid "windfall" profits and that the cropland could eventually be added to the landowner's base acreage which would allow increased subsidies in the future. In at least one state, Tennessee, our affiliated organization, the Tennessee Conservation League, has exposed apparent fraudulent practices whereby a number of landowners are receiving benefits from the PIK program on illegally cleared and leveed bottomlands where the land was not in production prior to the initiation of PIK. In this case PIK payments have encouraged wetlands loss and may be providing an incentive for further drainage and destruction of important bottomland wetlands. All of these activities not only hurt wildlife and environmental quality, they defeat the original purpose of the entire PIK program.

In spite of the problems of PIK most conservationists still believe that a well designed set aside program that links commodity and conservation programs would be beneficial to the nation.

Commodity and conservation programs were closely linked when these programs were formed in the 1930s, but from the 1940s on, the programs have moved further and further apart. Linking these two program areas together is essential to a successful solution to the problem of over-utilization of erosion-prone land.

Implementation of these laws at the county level is unlikely unless Congress makes it very clear that conservation purposes are of equal stature with commodity purposes. Stricter guidelines that require county committees to adhere to Congressional priorities and select eligible practices that provide conservation benefits are needed. Otherwise pressure at the local county committee level will result in a continuation of the historical trend where funds are allocated to short-term production-oriented practices or very temporary conservation practices. We suggest that strong report language be added to this legislation giving guidance to the U.S. Department of Agriculture to see that these programs be fully implemented.

If the Department of Agriculture will make a sincere effort to work with conservation-minded farmers, state wildlife agencies, and local, state, and national conservation groups we believe that a program that will benefit the economy, farmers, wildlife and the environment can be designed.

NATIONAL WILDLIFE FEDERATION
1412 Sixteenth Street, N.W., Washington, D.C. 20036 202—797-6800

Resolution No. 26

## PAYMENT-IN-KIND PROGRAM

WHEREAS, the Reagan Administration has established the Payment-in-Kind (PIK) program to reduce acreages of certain crops now in surplus for 1983, and

WHEREAS, the PIK program may continue for several years, and

WHEREAS, the former federal soil bank program, which required permanent vegetative cover plantings, provided significant conservation benefits, such as increased wildlife populations and the rebuilding of soil, and

WHEREAS, the establishment of vegetative cover for PIK acres would have significant wildlife and soil benefits,

NOW, THEREFORE, BE IT RESOLVED that the National Wildlife Federation in annual meeting assembled March 17-20, 1983, in Albuquerque, New Mexico, requests the federal government urge that all acres set aside as part of the PIK program be planted in vegetative cover and that these acres be managed for conservation benefits,

BE IT FURTHER RESOLVED that state and local ASCS committees should make every effort to see that this program provides such conservation benefits as wildlife habitat, sediment retention, and erosion and water control.

## STATEMENT OF NEIL SAMPSON, EXECUTIVE VICE PRESIDENT, NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS

I am Neil Sampson, Executive Vice President of the National Association of Conservation Districts. NACD represents the 2950 soil and water conservation districts of America, who in turn serve and provide assistance to over 2 1/2 million cooperating landowners. It is a pleasure to appear before this subcommittee again to bring you the views of our association.

The three bills before you today propose different approaches to a conservation payment-in-kind program, one that would use surplus commodity stocks for cost-sharing with farmers for the installation of conservation measures. Although the purposes of the bills are similar, the approaches are all different. Therefore, our testimony today will address each bill separately.

S.843 would establish a provision in each commodity section of the 1949 Agriculture Act that would create a payment-in-kind for installation of conservation measures on the land that was set-aside or diverted from production of that commodity. It appears that payment-in-kind could only be made to those persons participating in a particular commodity program and payments could be made only with that commodity. Cost-sharing would be limited to work done on the diverted land, not the whole farm.

This would appear to be a very narrow approach, limited to the installation of construction-type practices on diverted acres. It would appear to us that, if a conservation payment-in-kind program is to be created, the Congress would wish to consider a program that would help get the most cost-effective types of conservation management on all cropland. This will take a broader construction than S. 843, we feel.

S.998, the Special Cropland Conservation Act, is a long-term program, designed to retire erosion-prone lands from crop production for up to ten years, based on long-term contracts. The contract provisions are similar to the provisions of the Great Plains and Water Bank programs which have proven to be very popular and effective. It authorizes the Secretary to provide both technical and financial assistance in return for a long-term commitment on the part of the landowner with proper safeguards for the public investment in case of contract violation.

The bill authorizes both cash and in-kind payments for cost-sharing the installation of conservation measures. It also authorizes pre-payment, a departure from most previous cost-share programs. It does not authorize payments for land rental, which may be essential if the program is to achieve the desired result of encouraging the conversion of cropland to non-crop uses. A similiar bill now under consideration in the House of Representatives has added this provision, and we would be pleased to provide the Committee with appropriate language if you so desire.

Section 3(h) of the bill provides that the base acreage or normal crop acreage would not be forfeited for those acres diverted to conservation cover during the period that those acres remain in conservation cover. We believe this is a very important provision in this bill. Too often in the past, the threat of loss of base acreage has discouraged farmers from installing conservation measures and planting conservation cover on their land. It is important, in any new conservation legislation, that this issue be directly addressed, as S. 998 appears to do.

S.1053 amends the Agricultural Act of 1949 by adding a new provision under which a supplemental conservation payment-in-kind would be required in the event a basic payment-in-kind program is ever instituted in the future. This provision would remain in effect for the life span of the conservation use, even if the basic payment-in-kind program is terminated. The conservation use acreage could be hayed or grazed after termination of the basic payment-in-kind program without affecting eligibility for the supplemental payment.

Commodity in-kind payments for conservation work would be limited to $25,000 per year except for unusual circumstances which would warrant additional payment. These exceptions, to correct severe erosion or dedication of large acreages, appear to be appropriate.

In general, this association favors the approaches proposed by S.998 and S.1053. S.998 is essentially a new conservation program, designed to aid in the conversion of highly-erodible land back to non-crop uses. With the tremendous amounts of marginal land converted to cropland in recent years, we feel this approach will be badly needed in the near future. S. 1053 is, on the other hand, aimed at making any future PIK programs more conservation-oriented. This, too, would be a significant improvement over the limited conservation gains it appears we have seen in the 1983 PIK. We feel S. 843 adds little to the current farm programs, under which USDA can require the establishment of adequate conservation treatment on the set-aside land as part of the eligibility requirements for receiving the payments under the program.

## STATEMENT OF ROBERT J. GRAY, DIRECTOR, POLICY DEVELOPMENT AMERICAN FARMLAND TRUST

Mr. Chairman, members of the Subcommittee, I appreciate the opportunity to testify today. The legislation pending before this subcommittee is extremely important, and it is my hope and that of the American Farmland Trust that the information and support from these hearings will result in action being taken soon.

As you recall Mr. Chairman, when Norm and I testified before this subcommittee on June 28, AFT was in the midst of completing an indepth analysis of our soil conservation programs. Since that time we have been able to complete most of our work on the final report.

Much of what we learned in our analysis has a direct relationship on S. 998, S. 1053, S. 843 and other bills this subcommittee will be considering as part of these hearings.

The American Farmland Trust is a private, nonprofit organization dedicated to seeking solutions to conserving our soil, protecting our nation's agricultural land base and promoting farm opportunities. In response to requests from public officials, farm organizations, farmers, ranchers and citizens' groups, AFT helps to formulate public policies that encourage farmland conservation; to enable farmers to earn a respectable return on the equity in their property without liquidating it. AFT devises innovative conservation alternatives on a case-by-case basis. And to increase public awareness of both the importance of conserving our agricultural land resources, and the "middleground" approaches that are available to achieve this goal, AFT conducts research, sponsors conferences and publishes educational material.

The basis for AFT's support in these various endeavors are the 25,000 individuals, representing every state in the nation, who belong to our organization. We are proud of what we have accomplished in the relatively short time AFT has been in existence.

Mr. Chairman, I am particularly pleased to see the three bills being considered by the subcommittee. S. 998, S. 1053 and S. 843 all deal with encouraging long-term conservation practices on erosion prone land. AFT wholeheartedly concurs with this approach. I realize, Mr. Chairman, that you are throughly familiar with much of the analysis AFT has conducted on our national soil conservation programs. We at AFT have appreciated your support of our findings and recommendations.

I would like to take the opportunity at this time to elaborate in more detail on how a long-term conservation reserve might work. It is one of the major thrusts of AFT's recommendations and is an approach that I believe will be of strong interest to other members of the subcommittee.

As you may recall Mr. Chairman, when Norm and I testified on June 28 before this subcommittee, we set forth the need for establishing a conservation reserve program as a way of placing highly erodible cropland into long-term, soil-saving, vegetative cover, under the umbrella of USDA's traditional production adjustment (commodity) programs. The need to merge our commodity programs with conservation efforts is vital if we are ever to achieve a substantial reduction in soil erosion in this decade.

We have done a great deal of thinking at AFT as to how effective a soil conservation reserve program would be in reducing soil erosion and equally as important -- how would it be implemented. I thought it might be appropriate to raise a number of basic questions about the need for a conservation reserve as a way of discussing how it might work. These are the key questions asked most often about the conservation reserve program concept. I believe this series of questions and answers will be most useful to the subcommittee as you deliberate the pending legislation before you.

Q. Why is a commodity/conservation reserve program needed?

The commodity/conservation reserve program is needed to achieve two goals of U.S. farm policy through the implementation of a single program: protect farmers and consumers from extremes in commodity prices and conserve the nation's topsoil.

Current USDA production adjustment measures or programs are not intended to achieve conservation. They are intended solely to control the supply of commodities produced to stabilize prices and supply, and to bolster farm income. However, in the process of regulating supply, the programs effect the rate and amount of soil erosion and discourage conservation.

Q. How would a commodity/conservation reserve program work?

Farmers participating in USDA commodity programs would be given the option to enroll their highly erodible land in the reserve. Local USDA agencies and local conservationists could conduct a publicity and education campaign to explain program specifics to the farmers in the area.

Farmers could apply to participate at any time, ideally when they sign up for the regular USDA commodity programs. To be enrolled in the reserve the land would have to meet criteria for highly erodible land. The criteria should be based on simple, physical factors such as soil type, land slope, and other characteristics indicative of the erosion hazard.

A bidding procedure similar to the one used for this year's Payment-in-Kind (PIK) Program would be used to determine the payments. Bids would be made in terms of a percentage of the farm's base yield. Highly erodible land in crop "bases" or soybeans as of the 1983 crop year would be eligible. Compensation could be made in cash or in kind. Several years' worth of payments could be provided initially in a lump sum to encourage participation.

Land enrolled in the commodity/conservation reserve would be devoted to productive, sustainable uses such as hay, pasture, or timber production. By contrast, land enrolled in present year to year set-asides is often left essentially fallow.

The commodity/conservation reserve concept should be tested on a pilot basis prior to nationwide adoption. A pilot reserve could be offered to all counties on a voluntary basis as an option for 1983-84 commodity programs. Counties now receiving extra USDA conservation technical and financial assistance via "targeting" should be strongly encouraged to participate (608 counties are targeted for erosion control work in fiscal year 1984). An effort should be made to enroll enough counties in the Pilot Reserve to provide statistical reliability at the national level.

Q. How much would a commodity/conservation reserve cost?

USDA analysts estimate the average cost of retiring an acre of highly erosive land at a range of about $30-50 per acre. Allowing farmers to make productive use of the land would reduce the compensation necessary. Use of a bid procedure, with a ceiling on the maximum bid, should help keep per acre costs low. With a 15 million acre reserve, the cost would be between $450-750 million annually.

Q. How does that compare with current programs?

In seven out of nine years since 1975, some form of acreage retirement has been used to reduce production of major crops. The net outlays for wheat, feed grains, cotton and rice programs have ranged from $500 million to $13.2 billion annually. The average outlay excluding the 1983 PIK Program was $2.7 billion annually. Including PIK, the average cost amounts to about $4 billion per year.

A commodity/conservation reserve program, obviously, would not be without cost. In all but extreme years, the commodity/conservation reserve would be a very efficient way to balance supply with demand for major crops. The cost of the reserve would be in line with the cost of pre-PIK programs. A well-managed long-term reserve could protect farmers and consumers by reducing the uncertainty about the annual production of major crops. Of course, the new twist is that with a commodity/conservation reserve, production adjustment would also eliminate much of the Nation's excessive soil loss.

Q. Why focus on highly erodible lands?

Recent USDA studies indicate that a small amount of highly erodible cropland accounts for a very large share of U.S. soil loss. For example, in 1977 six percent of the land under cultivation in the United States accounted for 43 percent of the Nation's total sheet and rill erosion. Tremendous soil savings could be achieved by placing this six percent, or a portion of it, into a commodity/conservation reserve.

Q. Why should production adjustment and conservation goals be approached simultaneously?

There are two basic reasons. First, many analysts anticipate that crop surpluses may continue to be a periodic problem throughout the 1980's. Government subsidized production adjustment programs such as set-asides and diversions of cropland will most likely be used to stabilize supply and bolster farm prices and incomes.

Second, a number of recent studies by USDA and other sources indicate that highly erodible land is not being protected by either traditional conservation practices (terraces, windbreaks, etc.) or profitable new conservation tillage techniques. In many cases, soil loss cannot be reduced to tolerable levels on this land if it is used for cultivated crops, even if conservation measures are combined. Often, the cheapest and most effective method for reducing soil loss on this land is to establish permanent vegetative cover, such as hay, pasture or forest. The existing conservation programs do not offer effective means for encouraging these types of land use changes.

Farmers often find it more profitable to raise corn, soybeans, cotton, wheat and other crops that leave land vulnerable to severe erosion. Combining production adjustment with conservation would make it profitable for the farmer to farm in an environmenally conscious manner while benefiting from USDA's production adjustment programs.

Q. How much soil could the commodity/conservation reserve save?

That depends on the size of the reserve and the erosion rate on the land before it is taken out of cultivation. As an example, in 1982 about 12.5 million acres of land were temporarily idled through the USDA commodity programs. By converting 12.5 million acres of cropland suffering the highest rates of sheet and rill erosion, we could anticipate soil savings on the order of 600 million tons per year over a period of five to ten years. That would reduce sheet and rill erosion on cropland by about one-third. It would also make it much easier to focus our regular technical and financial assistance programs where they have proven most effective -- on moderately erosive soils.

By comparison, the National Conservation Program announced last December will achieve estimated soil savings of 119 million tons by 1987 and only if a high level of funding is provided.

Q. How could wildlife benefit from a commodity/conservation reserve?

The land set-aside under a production adjustment program could be used to enhance or protect wildlife and wildlife habitat. The Federal program could be combined with state and local wildlife and game programs or with other Federal programs. For example, highly erodible land adjacent to wetlands would be a priority for enrollment in the production adjustment program, augmenting the USDA's Water Bank Program or the U.S. Department of the Interior's Wetlands Purchase Program. USDA could prepare technical information packets, to be distributed through the Department's extension service, or other appropriate agencies, to inform public and private wildlife, conservation, and environmental groups.

Q. Isn't the commodity/conservation reserve the same thing as the soil bank and other land retirement programs of the 1950's and 1960's?

The commodity/conservation reserve is fundamentally different because it aims to selectively retire only highly erodible lands. Under programs any land could be enrolled, regardless of its erosion problem. Today, conservationists have reliable, yet practical methods to determine erosion hazards that were not available twenty years ago.

The commodity/conservation reserve would also differ by including precautions against wholesale, economically disruptive land use shifts in any given rural community, which was a real problem with the Soil Bank. Limits would be placed on the amount of land that could indicate that highly erodible lands exist in the majority of the Nation's agricultural counties. Thus, program participants need not be concentrated in any given area or state. In general, the program would be carefully designed to avoid the well-documented problems of earlier programs.

Q. Will the commodity conservation reserve replace the current commodity and conservation programs?

No, it will compliment them. In years of extreme crop surplus, the commodity conservation reserve would not totally fulfill the need for production adjustments; set-asides would also be needed. However, the reserve should help reduce the need for very large, expensive, administratively complicated set-asides by providing long-term production reduction. In times of very tight supply, land in the commodity/conservation reserve could be temporarily released for crop production at the discretion of the Secretary of Agriculture.

The current conservation programs would continue serving landowners throughout the nation. The reserve would augment traditional technical and financial assistance programs because it will be directed at lands which desperately need adequate conservation treatment, but rarely receive it. The commodity/conservation reserve should be seen as a means of stretching the very limited resources of SCS and ACP.

Q. Will the conservation reserve require a new or expanded bureaucracy?

No. Some technical assistance will be required to assure that only highly erodible land will be enrolled in the program. In many cases the land can be identified from soil surveys. Spot checks would also be needed to verify compliance. ASCS would have chief responsibility for program administration; SCS and conservation districts would provide most of the technical assistance. No farm plan would be required. And since the main conservation treatment would be grass, legume, or forest cover, minimal technical assistance would be needed after the commodity/conservation reserve contract is signed. Yet the pay-off in soil savings would be substantial.

Q. If the commodity/conservation reserve is directed to highly erodible land, won't we be paying alot of money for land that isn't very productive to begin with? And won't that cause slippage in the price support programs?

Highly erodible land isn't necessarily unproductive. Southwestern Iowa and the Palouse region are both prone to high rates of soil loss, yet those soils sustain above-average crop yields for many years.

Unfortunately, we possess limited information on crop yields on highly erodible land. However, research underway at USDA and in the private sector suggests that highly erodible land has not been selectively idled by farmers in acreage reduction programs in the past. In many cases, farmers probably idled low, flat land that sometimes is very productive, but may have been exceptionally wet at sign up time. The production control effects of the regular set-asides are further reduced by the tendency of farmers to use their remaining crop acres more intensively.

In summary, the establishment of a Conservation Reserve Program nationally is a major undertaking but one that will have long-term major benefits in reducing soil erosion. It is the single most important step that could be taken at this time.

Mr. Chairman, I am also aware of the letter that you and Senator Melcher, Representative Ed Jones and Representative Tom Coleman sent to Secretary Block on August 1 strongly suggesting that a Pilot Conservation Reserve Program be included as part of the 1984 set-aside program.

Although it does not appear at this time that a set-aside program for corn will be needed in 1984 the wheat diversion program has already been announced. The Conservation Reserve Program could effectively take highly erodible land out of production. I hope that USDA responds favorably to your letter.

I have also been following closely the progress S. 663, the "Sodbuster" bill. It is an extremely important piece of legislation that if passed and properly implemented will keep highly erodible land from coming into intensive cultivation.

In the past decade millions of acres of highly erodible land has been brought into crop production. This has greatly accelerated our current rates of erosion. By implementing a conservation reserve, as previously discussed, we can take a great deal of land out of production.

Unfortunately, there are millions of additional acres of "potential" highly erodible land that could be brought into production in the near future. S. 663 will provide a strong disincentive for this to occur. Much of this marginal land should remain in grass or trees. AFT strongly supports the subcommittees action to date on this legislation and hope that you will soon report it to the Senate floor.

However, I would still like to raise one important point which I believe merits further discussion. It concerns the definition of "highly erodible land" as outlined in Section (a)(2) of S. 663. It includes Classes IVe, VIe, VII or VIII land under the land capability classification system. My prupose in raising this concern is not to delay passage of S. 663 , but to point out a weakness in the definition that needs to be corrected by USDA in the near future.

Therefore, AFT feels the subcommittee should be made aware of this important concern and help push USDA toward a suitable solution.

As you know, the eight land capability classes have been developed and refined over many decades. The system classifies land according to its most suitable use for sustained agricultural production, with the most "capable" land in Classes I through IV (suitable for cultivation and other uses) and the land with restrictive attributes (generally not suited to cultivation) in classes V through VIII. In addition, subclass denotations identify land with specific problems: "e" for example indicates that susceptibility to erosion is the main limitation to the production of major crops. The system has proven very useful in farm planning because it is straightforward and introduces landowners and farm operators to the details of soil surveys.

However, the system is essentially qualitative in its organization and criteria. Therefore, even though it is valuable for most farm conservation planning purposes, it must be used more cautiously in implementing the provisions of Title II.

Until the National Resources Inventory (NRI) was conducted by SCS in 1977, providing estimates of rates and total tonnages of soil erosion, it was not possible to evaluate how adequately, in general, capability classifications reflected actual erosion hazards under actual farming conditions. Recently, it has become clear that modifications of the capability class system may be needed to incorporate new, more accurate estimates of soil erosion rates if the system is to be used for public policy purposes. In essence, the new data strongly suggest that the system overstates the erosion hazard on some land traditionally considered "marginal". Of greater concern is the apparent understatement of the erosion hazard on a considerable amount of land that is conventionally thought suitable for cultivation, and is so classified.

An indication of the land capability classification systems' weakness can be seen by examining erosion rates reported on cropland by the Soil Conservation Service (SCS) in 1977. This shows a substantial proportion of all types of erosion associated with capability classes IIe and IIIe. For example, over 11 million acres of Class IIIe cropland had sheet and rill erosion rates in excess of 14 tons in 1977. This is also true for "potential" cropland. Some of the highest rates of erosion (60 tons per acre per year) occur in land capability Class IIIe.

Since the 1977 NRI data became available, soil scientists and resource economists have been actively investigating the relationship between soil erosion rates and soil productivity losses, water pollution and sedimentation. Most of the work is preliminary at this stage, but in view of the emphasis placed here on erosion rates alone do not always correspond to productivity or off-site damages. This is because some soils are very thick, and withstand tremendous soil erosion without losing productivity or causing sediment or runoff problems. Other soils, being naturally unproductive or rendered that way by a history of severe erosion, are not much affected by erosion, since they have little remaining productivity. However, these relatively rare instances excepted, high soil erosion rates do seem to correlate with both off-site and productivity problems. This is particularly true in the humid parts of the United States, where sheet and rill erosion are the main hazards.

Thus, we believe it is absolutely essential in the future to consider potential erosion rates on land that is proposed for cultivation, as well as for eligibility in the programs identified in S. 663. This is a process SCS routinely goes through in farm planning for soil erosion control. Presumably, it is also the type of exercise that would be required by the Department's proposed certification procedure for newly cultivated land, as well as by Subsection (c)(5) of S. 663, which calls for SCS to certify adequacy of conservation systems on land that would otherwise be disqualified from the programs indicated.

We have presented only a few of the analysis AFT has conducted to determine the types of criteria and resource information that are best suited to soil conservation policy. Our impression, at this juncture, is that the land capability class system has a number of weaknesses with respect to accurately capturing true erosion hazards. We believe that USDA should be working on modifying the current land Capability Classification System in order to make it more effective in dealing with "highly erodible" lands. Also the 1982 NRI will help immeasurably in sharpening estimates of soil erosion rates.

A decade ago there was no practical alternative to land capability for characterizing erosion conditions at the national and state level. With the release of the 1982 NRI, a multi-county level of reliability will be achieved. In addition, the 1982 NRI will have a "cross-walk" capacity with the massive, computerized SCS soil survey file. This will enable analysts and program managers to determine where high erosion rates, shallow topsoils, and currently high crop yields overlap. That will be the land most in need of conservation treatment.

AFT offers this critique of the land classification system in a constructive spirit. It is not our intention to delay passage of this important bill. We believe that the necessary work needed to modify the land capability system should go on concurrently with the implementation of this legislation. If done it will make S. 663 much more effective.

Farmers Attitudes Toward Government Policies -- In previous testimony before this subcommittee, I discussed briefly a survey AFT conducted in fall of 1982 and winter of 1983. Our survey consisted of interviewing about 700 farmers and ranchers in six regions of the country. At this time I would like to share with the subcommittee the results of the portion of the interviews that dealt with soil conservation policy issues. I would like to add that a great number of additional questions were asked dealing with everything from the kinds of practices being utilized, the reasons why farmers continued or discontinued certain conservation practices, to where they received their best sources of information and assistance. The results of these questions are much too detailed to outline here. However, the policy questions as outlined on Table 1 might be of particular interest to the subcommittee. The survey found that the farmers interviewed in our group of six rather diverse study areas supported targeting, cross compliance, required maintenance of government-cost-shared-conservation practices, statutes to protect neighbors against damages from soil erosion on adjacent land, income tax credits for investments in soil conservation, government payments to take highly erosive land out of intensive cultivation and a policy of mandating conservation practices if government pays for part of its installation costs. Moreover, such support tended to be broadly based at least in the sense of not being significantly different by levels of operators, farm sales, experience in farming, or rental status. As the study areas were similar to other areas in their regions, the support for policy positions shown by the six samples probably indicates that those positions would be accepted by many farmers across the country.

Need for Additional Soil Conservation Policies -- Mr. Chairman, I would like to conclude my testimony by discussing a number of key recommendations AFT is putting forth as part of our soil conservation report. Many of them are relevant to the legislation being considered today, however, a number of them touch on some broader issues surrounding the whole soil conservation area.

Many of these recommendations will only be achieved through additional legislation or administrative action on the part of USDA. A number of these will have to be dealt with as part of the 1985 Farm

Bill.

The fourteen recommendations presented here represent about half of the final recommendations AFT will make in its Soil Conservation Report. I believe the subcommittee will find these particularly useful.

Recommendation 1. A national policy for agricultural resource conservation should be established by the United States in the 1985 Farm Bill and adhered to by all agencies of the government. As part of this policy, Congress and the Executive Branch should establish goals for the conservation of the nation's agricultural resources. The overall aim of these goals should be to maintain or improve the inherent productivity and quality of soil and water resources, and to minimize adverse environmental effects related to the use of those resources. Two central themes should form the basis for this policy declaration. Government policies and activities should recognize: (1) the long-term nature of agricultural resource conservation planning and implementation and; (2) inherent differences in the quality and capabilities of land for sustainable agricultural production.

Recommendation 2. The Secretary of Agriculture should establish within USDA a permanent coordinating body, with a fulltime staff, and chaired by the Deputy Secretary of Agriculture, to assess and analyze all aspects of all USDA programs as they affect agricultural resource conservation. This group should: be responsible for assuring that agricultural resource conservation goals are acted upon with the most efficient government programs and activities; be responsible for evaluations of all department programs directly or indirectly affecting agricultural resource conservation; have the authority to recommend to the Secretary special studies, projects, and new policy and program initiatives across the Department that would enhance agricultural resource conservation. The coordinating body should be given overall responsibility for the Department's RCA activities. This body should also coordinate USDA activities related to development and implementation of the national policy on agricultural resource conservation recommended above.

Recommendation 3. The House and Senate Agriculture Committees should conduct oversight investigations, including public hearings, into (1) the performance of USDA conservation programs after the first cycle of the RCA and (2) the conservation effects of USDA's commodity and credit programs.

Recommendation 4. Cultivated cropland in the U.S. should be designated into one of three groups by local conservation districts on the basis of a practical, consistent, and scientifically up-to-date classification system. The classification system would serve as a general guide to local conservation districts, Agricultural Stabilization Committees, and USDA field personnel as they consider applications for conservation programs, crop price support programs, and other USDA programs. The system should reflect the land's quality and capability for sustainable agricultural production without excessive soil erosion. To the extent possible, Government policies and programs should encourage agricultural practices appropriate to the land's quality and capability, as reflected by this classification.

Recommendation 5. Primary technical responsibility for developing the classification scheme and for local designation of cultivated land into Group 1, 2 or 3 should be given to the Soil Conservation Service, working through and in cooperation with local soil and water conservation districts. The classifications should be consistent with any standards established by the local districts. General guidelines for the classification procedure should be prepared by SCS national and state offices, but should be subject to approval, modification and appeal by local conservation districts. An appeal procedure should be established in order that farmers or other interested individuals may bring to the attention of conservation district committees additional factors which should be considered in making a classification.

Recommendation 6. Land in Group 1 should be set-aside, diverted, or otherwise retired from production of cultivated crops as a requirement for participation in USDA crop price support programs only when inadequate acreage is obtained for production control purposes from Land Groups 2 and 3. Land in Group 1 should also not generally be eligible for publically supported financial and technical assistance for erosion control, unless the public's interest in such assistance can be demonstrated on a case-by-case basis.

Recommendation 7. The USDA's traditional technical and financial assistance efforts for erosion control, as well as Extension Service activities, should place high priority on cost-effective tillage practices, primarily on moderately erodible Land Group 2.

Recommendation 8. The Department of Agriculture should proceed with targeting efforts now underway for technical and financial assistance for soil erosion control. However, the total number of counties designated for targeted assistance should be frozen at 608, the number anticipated for participation by Fiscal Year 1984. No additional target areas should be designated until the success of the 1981-84 targeting effort has been fully evaluated.

Recommendation 9. The Pilot Variable Cost-Share Level Program of ACP should gradually replace existing procedures for the overall ACP over a 5 year period, beginning in FY 1985. Also beginning in 1985, SCS should experiment with the variable cost-share level approach in cost-sharing activities under the Great Plains Conservation Program. In both programs, emphasis should be given to assisting cost-effective conservation practices on Land Group 2. This can be achieved by awarding financial assistance within the broad Group 2 category to land with the most serious erosion problems.

Recommendation 10. In formulating and implementing USDA commodity price support programs, high priority should be assigned to long-term conversion of Group 3 land to conserving uses such as pasture, hay, range, forest or wildlife habitat. To the extent possible within the context of production adjustment goals, commodity price support programs should encourage this conversion by offering farmers multi-year conservation reserve contracts for Group 3 land. Periodic, one-year set-asides and diversions should also be directed to Land Groups 2 and 3 as production adjustment requirements may warrant. Legislative authority for nationwide implementation of a conservation reserve should be provided in the 1985 Farm Bill.

Recommendation 11. Wherever state or local conservation programs have been adopted to encourage conversion of Group 3 lands to stable uses, USDA should make a special effort to provide assistance via the conservation reserve or long-term ACP land retirement contracts.

Recommendation 12. Through legislative and administrative initiatives, Group 3 lands not devoted to the production of crops as of a specified date year should be designated as ineligible for future participation in USDA commodity programs (including the conservation reserve), the Federal crop insurance program and other publically funded programs. Toward this end, the Congress should expeditiously enact an effective version of the "Sodbuster bill".

Recommendation 13. USDA should encourage member organizations of the Farm Credit System to adopt procedures and policies designed to encourage enrollment of Land Group 3 in the conservation reserve, or otherwise encourage conserving use of Group 3 lands. SCS should also adopt sanctions consistent with those contained in Sodbuster legislation to discourage future cultivation of Group 3 lands now in conserving uses.

Recommendation 14. In repatriating land received through loan foreclosures or bankruptcies, the Farmers Home Administration (FmHA) should encourage sustainable use of the land, including enrollment of any Group 3 land in the conservation reserve.

I appreciated the opportunity to testify today and will be pleased to answer any questions.

TABLE I
page one

## FARMERS ATTITUDES TOWARD SELECTED SOIL CONSERVATION POLICY ISSUES
## PERCENTAGE PER RESPONSE CATEGORY

| | Washington (Colorado) % | Warren/Marion (Iowa) % | Haywood (Tennessee) % | Grant (Wisconsin) % | Jackson (Illinois) % | Perry (Missouri) % | Average % |
|---|---|---|---|---|---|---|---|
| Policy Positions | | | | | | | |
| 1. Fed. gov't. should spend less money on soil conservation programs | | | | | | | |
| "Strongly Agree" & "Agree" | 21.6 | 12.5 | 5.6 | 9.8 | 18.6 | 12.3 | 13.4 |
| "Undecided" | 20.0 | 12.5 | 3.7 | 6.3 | 14.7 | 11.0 | 11.4 |
| "Disagree" & "Strongly disagree" | 58.4 | 75.0 | 9.7 | 83.9 | 66.7 | 76.7 | 75.2 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| N = | (125) | (128) | (108) | (143) | (102) | (73) | (6) |

TABLE I
page two

### FARMERS ATTITUDES TOWARD SELECTED SOIL CONSERVATION POLICY ISSUES PERCENTAGE PER RESPONSE CATEGORY

| | Washington (Colorado) % | Warren/Marion (Iowa) % | Haywood (Tennessee) % | Grant (Wisconsin) % | Jackson (Illinois) % | Perry (Missouri) % | Average % |
|---|---|---|---|---|---|---|---|
| Policy Positions | | | | | | | |
| 2. Gov't. should pay farmers to take highly erosive land out of intensive cultivation | | | | | | | |
| "Strongly Agree" & "Agree" | 32.0 | 50.0 | 78.3 | 53.1 | 50.0 | 45.2 | 51.4 |
| "Undecided" | 11.2 | 19.1 | 14.2 | 16.8 | 9.8 | 21.9 | 15.5 |
| "Disagree" & "Strongly disagree" | 56.8 | 30.9 | 7.5 | 30.1 | 40.2 | 32.9 | 33.1 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| N = | (125) | (126) | (106) | (143) | (102) | (73) | (6) |

TABLE I

page three

## FARMERS ATTITUDES TOWARD SELECTED SOIL CONSERVATION POLICY ISSUES
PERCENTAGE PER RESPONSE CATEGORY

| | Washington (Colorado) % | Warren/Marion (Iowa) % | Haywood (Tennessee) % | Grant (Wisconsin) % | Jackson (Illinois) % | Perry (Missouri) % | Average % |
|---|---|---|---|---|---|---|---|
| Policy Positions | | | | | | | |
| 3. Farmers who invest in soil conservation should be given credits on their income tax | | | | | | | |
| "Strongly Agree" & "Agree" | 60.9 | 79.2 | 97.2 | 78.3 | 80.4 | 78.1 | 79.0 |
| "Undecided" | 9.6 | 8.0 | 0.9 | 3.5 | 8.8 | 9.6 | 6.7 |
| "Disagree" & "Strongly disagree" | 29.6 | 12.8 | 1.9 | 18.2 | 10.8 | 12.3 | 14.3 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| N = | (125) | (125) | (108) | (143) | (102) | (73) | (6) |

TABLE I
page four

## FARMERS ATTITUDES TOWARD SELECTED SOIL CONSERVATION POLICY ISSUES
## PERCENTAGE PER RESPONSE CATEGORY

| | Washington (Colorado) % | Warren/Marion (Iowa) % | Haywood (Tennessee) % | Grant (Wisconsin) % | Jackson (Illinois) % | Perry (Missouri) % | Average % |
|---|---|---|---|---|---|---|---|
| Policy Positions | | | | | | | |
| 4. Individuals should be able to recover damages resulting from erosion on adjacent land | | | | | | | |
| "Strongly Agree" & "Agree" | 68.0 | 55.5 | 60.8 | 52.5 | 36.3 | 45.2 | 53.1 |
| "Undecided" | 20.0 | 21.9 | 21.5 | 20.3 | 22.6 | 16.4 | 20.4 |
| "Disagree" & "Strongly disagree" | 12.0 | 22.6 | 17.7 | 27.2 | 41.1 | 38.4 | 26.5 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.0 | 100.0 | 100.0 | 100.0 |
| N = | (125) | (128) | (107) | (143) | (102) | (73) | (6) |

TABLE I

page five

FARMERS ATTITUDES TOWARD SELECTED SOIL CONSERVATION POLICY ISSUES
PERCENTAGE PER RESPONSE CATEGORY

| | Washington (Colorado) % | Warren/Marion (Iowa) % | Haywood (Tennessee) % | Grant (Wisconsin) % | Jackson (Illinois) % | Perry (Missouri) % | Average % |
|---|---|---|---|---|---|---|---|
| Policy Positions | | | | | | | |
| 5. Assistance should be concentrated in areas of country where soil erosion problems are the most severe | | | | | | | |
| "Strongly Agree" & "Agree" | 74.4 | 80.2 | 93.5 | 95.8 | 83.3 | 76.7 | 84.0 |
| "Undecided" | 8.0 | 7.1 | 4.6 | 0.7 | 3.9 | 12.3 | 6.1 |
| "Disagree" & "Strongly disagree" | 17.6 | 12.7 | 1.9 | 3.5 | 12.8 | 11.0 | 9.9 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| N = | (125) | (126) | (108) | (143) | (102) | (73) | (6) |

TABLE I

page six

FARMERS ATTITUDES TOWARD SELECTED SOIL CONSERVATION POLICY ISSUES
PERCENTAGE PER RESPONSE CATEGORY

| | Washington (Colorado) % | Warren/Marion (Iowa) % | Haywood (Tennessee) % | Grant (Wisconsin) % | Jackson (Illinois) % | Perry (Missouri) % | Average % |
|---|---|---|---|---|---|---|---|
| Policy Positions | | | | | | | |
| 6. Assistance should be so concentrated even if it means less money to assist other areas | | | | | | | |
| "Strongly Agree" & "Agree" | 63.2 | 64.3 | 79.6 | 67.1 | 57.8 | 48.0 | 63.3 |
| "Undecided" | 7.2 | 18.3 | 13.0 | 12.6 | 10.8 | 27.4 | 14.9 |
| "Disagree" & "Strongly disagree" | 29.6 | 17.4 | 7.4 | 20.3 | 31.4 | 24.6 | 21.8 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| N = | (125) | (126) | (108) | (143) | (102) | (73) | (6) |

TABLE I

page seven

## FARMERS ATTITUDES TOWARD SELECTED SOIL CONSERVATION POLICY ISSUES
## PERCENTAGE PER RESPONSE CATEGORY

| | Washington (Colorado) % | Warren/Marion (Iowa) % | Haywood (Tennessee) % | Grant (Wisconsin) % | Jackson (Illinois) % | Perry (Missouri) % | Average % |
|---|---|---|---|---|---|---|---|
| Policy Positions | | | | | | | |
| 7. Gov't should require that conservation practices installed with gov't. money be maintained for their useful life or else the money be repaid on a prorated basis | | | | | | | |
| "Strongly Agree" & "Agree" | 80.0 | 75.0 | 66.7 | 75.5 | 56.7 | 67.1 | 71.8 |
| "Undecided" | 4.0 | 18.0 | 16.7 | 12.6 | 14.7 | 13.7 | 13.3 |
| "Disagree" & "Strongly disagree" | 16.0 | 7.0 | 16.6 | 11.9 | 18.6 | 19.2 | 14.9 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| N = | (125) | (128) | (108) | (143) | (102) | (73) | (6) |

TABLE I
page 8

## FARMERS ATTITUDES TOWARD SELECTED SOIL CONSERVATION POLICY ISSUES
PERCENTAGE PER RESPONSE CATEGORY

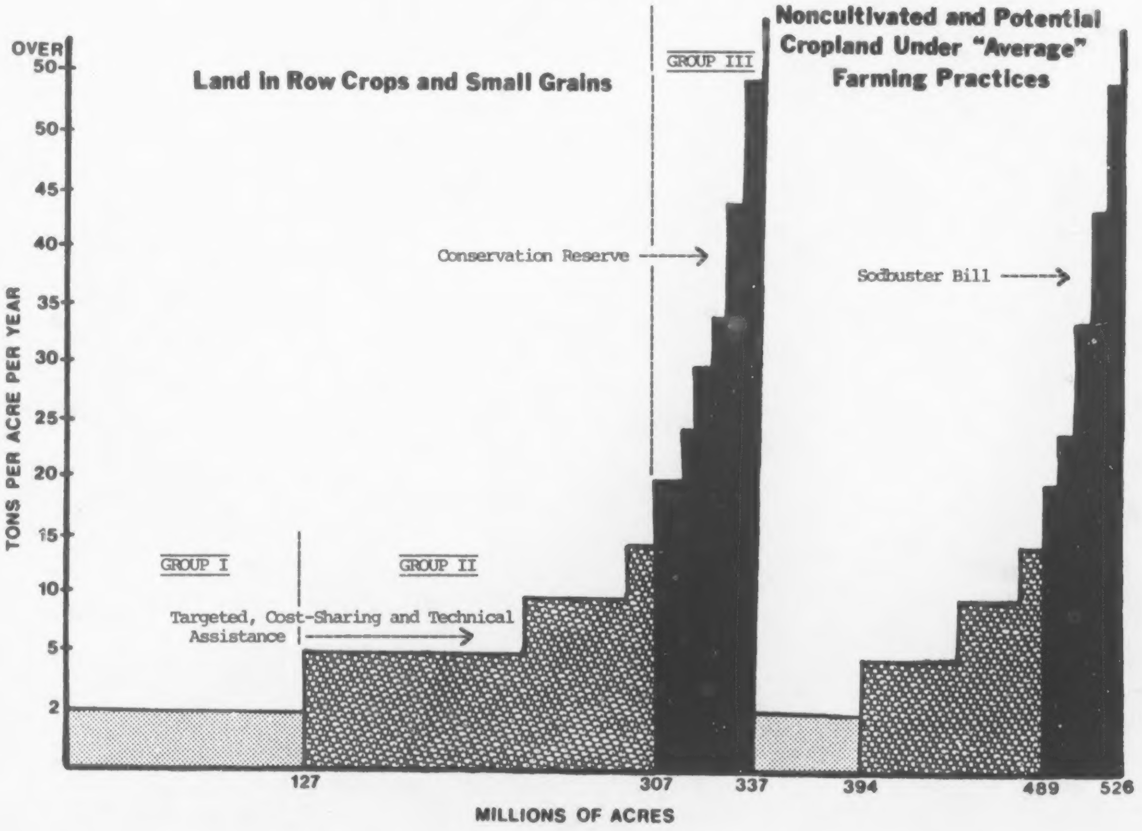
|  | Washington (Colorado) % | Warren/Marion (Iowa) % | Haywood (Tennessee) % | Grant (Wisconsin) % | Jackson (Illinois) % | Perry (Missouri) % | Average % |
|---|---|---|---|---|---|---|---|
| Policy Positions |  |  |  |  |  |  |  |
| 8. Farmers who grow crops on erosive land without conservation protection should not be eligible for gov't. commodity programs or other assistance |  |  |  |  |  |  |  |
| "Strongly Agree" & "Agree" | 59.2 | 56.3 | 34.9 | 72.0 | 41.2 | 47.9 | 51.9 |
| "Undecided" | 10.4 | 17.2 | 28.3 | 9.8 | 17.6 | 9.6 | 15.5 |
| "Disagree" & "Strongly disagree" | 30.4 | 26.5 | 36.8 | 18.2 | 41.2 | 42.5 | 32.6 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| N = | (125) | (128) | (106) | (143) | (102) | (73) | (6) |

TABLE I ·
page 9

## FARMERS ATTITUDES TOWARD SELECTED SOIL CONSERVATION POLICY ISSUES
## PERCENTAGE PER RESPONSE CATEGORY

|  | Washington (Colorado) % | Warren/Marion (Iowa) % | Haywood (Tennessee) % | Grant (Wisconsin) % | Jackson (Illinois) % | Perry (Missouri) % | Average % |
|---|---|---|---|---|---|---|---|
| Policy Positions |  |  |  |  |  |  |  |
| 9. Gov't. should require soil conservation practices if it pays part of the costs of installing the required practices |  |  |  |  |  |  |  |
| "Strongly Agree" & "Agree" | 43.2 | 68.5 | 65.8 | 51.8 | 63.7 | 42.5 | 55.9 |
| "Undecided" | 3.2 | 13.4 | 12.0 | 7.0 | 10.8 | 15.1 | 10.3 |
| "Disagree" & "Strongly disagree" | 53.6 | 18.1 | 22.2 | 41.2 | 25.5 | 42.4 | 33.8 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| N = | (125) | (127) | (108) | (143) | (102) | (73) | (6) |

## CROPLAND SHEET AND RILL EROSION 1977



## STATEMENT OF NORMAN A. BERG, WASHINGTON REPRESENTATIVE SOIL CONSERVATION SOCIETY OF AMERICA

Mr. Chairman, members of the Subcommittee for soil and Water Conservation, I appreciate this opportunity to again represent the Soil Conservation Society of America at a hearing on legislative proposals designed to strengthen soil and water conservation work on farms and ranches.

As you are probably aware, I serve as Washington Representative of the Soil Conservation Society of America (SCSA). Founded in 1945, with over 13,000 professionals of most resource disciplines as members, SCSA has, since its inception been dedicated "to advance the science and art of good land use, with emphasis on the conservation of soil and water". Our Journal of Soil and Water Conservation, published six times a year, is world reknown for its execellent scientific reporting and thought-provoking writings on a broad array of conservation issues.

The special edition of May-June 1983 on Conservation Tillage is timely and most valuable for the information it provides for all those concerned about soil and water conservation. It has been widely distributed, including not only to our own members, but to each of the 2,950 conservation districts, to key officials in government and to members of Congress. SCSA was able to do this because of the generous financial support of four agribusiness firms: BASF-Wyandotte, Deere and Company, Pioneer Hi-Bred International and Monsanto. They too recognized the rapidly growing interest in adopting reduced tillage methods for conserving soil and water.

We who have experienced, over many years, the dynamic conditions that continually face agriculture are not too surprised to find ourselves in a different setting than when we last appeared before you on June 28, 1983.

In much of the Midwest and Southeast, the summer of 1983 ranks among the 10 hottest and driest since the government started keeping records in the late 19th century.

The Secretary of Agriculture was quoted as saying, the weather would have "a severe impact on producers, especially those who are not in the PIK program or have no crop insurance -- It is very sad to see a drought like this sweep across the country."

We start next year with a clear playing field, he said, acknowledging that the summers intense heat and minimal moisture will have "staggering" costs for farmers reeling from four straight years of lagging income.

It is even more obvious than last June that agriculture and soil and water conservation need better Federal government policies. They must be flexible, but as long-range and as compatible as possible with the concerns of state and local governments. Above all, we need policies that solve problems.

Despite the desire and hope for a market-oriented agriculture, farmers and their governments, especially with their Federal government, are linked inextricably. Reluctantly, this off-and-on marriage has finally produced at least a fairly candid admission that though each (the government and the farmer) would prefer the next generation of farm policy to be one with no, or a minimum of, government intervention, it's probably NOT TO BE. There will continue to be a role for government in agriculture and for soil and water conservation. The quest is to enact farm policies that are more compatible and directly supportive of good land and water use.

We agree that we should not stifle the viability of agriculture with too much government. We all know, though, that governments -- at all levels in varying degrees -- have promoted voluntary soil conservation methods for 50 years; billions of private and public monies have been spent to cope with man-caused soil erosion, and for the most part practical and proven technologies are widely known and available for bringing soil losses down to tolerable levels. There has been good progress, but for each step forward, too often, we fall back two. Why do we still have difficulty solving this seemingly intractable problem?

The 1983 land use and production adjustments, although now very temporary, should benefit soil conservation this year. It depends upon how PIK was managed. I understand USDA has some oversight underway, at the local level, of soil conserving uses of the idled lands.

Had the RCA and PIK been more tightly coupled, offered in tandem, in planning and implementation with the needed forethought and crosswalk and had there been provisions for some of this years land use decisions to be long-term, the gains for soil and water conservation could have been dramatic in this decade. In 1983, for instance, S. 998 and S. 1053, had they been law, would have given the Secretary of Agriculture the authorities that many land users could have utilized on long-term soil and water conservation actions.

There are several related areas that could be discussed to best understand the alternatives available to those who decide policy.

First and foremost, however, is the importance of accepting that farm policy has been, still is, a significant driving force in the conservation of soil and water.

Can we make more certain, than in the past, that all future farm programs, by design and action, buy more soil and water conservation than they do now?

USDA has long had a Land Capability Classification System (I-VIII). It can be improved, but it is in place. It provides three major categories: capability unit, subclass, and class. It is based on the information derived from the Cooperative National Soil Survey. When properly intrepreted, land can be labeled, by class, that is best suited long-term for use as forestland, rangeland, grassland for hay or pasture, or most importantly, land for productive, intensive cropping year after year. Land permanently covered with vegetation, obviously, will have lower soil erosion rates than croplands.

Therefore, to the extent possible, Federal government programs should require that land be used within its capability and treated in accordance with its conservation needs. The challenge is how to get it done and to have the method accepted in a free society. Some counties have acted to regulate soil erosion. A handful have very tough programs. Enactment of the "Sodbuster" concept is urgent for it makes no sense to continously subsidize those who are irresponsible and convert those fragile, but now valuable, grasslands to attempt crop production. A farmer remains free to ignore good land use practices so long as he is willing to forego Federal farm subsidies. Responsible farmers do not have to be denied the benefits of Federal farm programs to know that it is in their interest and in the national interest that their stewardship be of the highest order.

We sense that the introduction of legislative proposals S. 663, S. 843, S. 998 and S. 1053 early in this 1st session of the 98th Congress recognized that in this past decade millions of acres of highly erodible land has been brought into crop production. It is now in the farm program system. This had greatly added to our soil losses in many key farm states. Much of that marginal land should have remained in grass or trees. Also there are still many millions of additional acres of potential highly erodible lands that could be cultivated. To the extent that a Sodbuster law would provide a strong disincentive for those potential unneeded land conversions, SCSA strongly supports S. 663 as amended by your last markup session. We should not permit Federal monies to add to soil loss problems.

That leaves the big problem of actions still needed to handle the current serious soil and water problems on the Nation's 415,000,000 acres of cropland.

We are most fortunate that U.S. farmers and ranchers are almost entirely free to do with their land as they please. Crop production had, until the last decade, been gradually gravitating toward the better quality land.

We also know that a majority of farmers are either blessed with land that is not highly erodible and/or they are taking the necessary soil and water conservation measures to reduce their soil loss. 32 percent of the acreage used for cropland (131 million acres) suffered annual sheet and rill erosion rates of less than one ton per acre per year. On some soils that could still be a problem.

However, by contrast, those lands that are intensively cropped, but based on their physical characteristics should be used primarily to grow grass or trees, contributed nearly one-fifth of the total sheet and rill erosion in 1977. Our priority concern, of course, is that high soil loss on some erosion prone cropland. About 25 million acres -- 6 percent of the cropland -- accounted for 43 percent of the annual cropland sheet and rill erosion in 1977. In fact, serious erosion is widespread even though it is typically concentrated on a relatively small acreage of land in each region of the U.S. Erosion in excess of five tons per acre per year occurs in three-fourths of the counties. Reaching these most erodible lands requires local support from conservation districts, ASCS county committees and others including voluntary acceptance of action by the landuser.

It is important that the public and those who work in the soil conservation bureaucracy accept the fact that the great majority of severe soil loss each year occurs on a relatively small portion of the croplands and rangelands. We must learn how to identify these key areas, at the national, state and local levels.

We will have better information when the results of the 1982 NRI are fully released. At SCSA's annual convention in Hartford, Connecticut in August, the Soil Conservation Service reported that soil erosion continues to damage millions of acres of cropland, but that the rate of soil loss nationwide has grown no worse since the last inventory in 1977. Agency officials cautioned against complacency, however, saying state-by-state erosion data is still being compiled and may show that erosion has gotten worse in some key farm states. The 4.82 tons per acre per year figures included only water-caused erosion and not wind erosion. This was slightly below the 1977 figure of 5.07 tons per acre per year. That drop was not statistically significant and was within the margin of error in survey methods. We also believe that some of the Great Plains states may suffer worse wind erosion due to the plowing up and intensive use of land previously covered with grasses. Once all the survey work, including computer editing, is finished we'll know the latest about soil erosion in major farm states and on fragile lands.

The 1977 survey showed about one-third of all U.S. cropland had excess erosion, at rates slowly impairing the lands productivity.

We know that legislative proposals to encourage farming within the land capabilities are not simple, because land use decisions and farming practices ultimately relate to the economics of soil conservation and the welfare of agriculture. Those who would solve the risk of continued soil degradation would identify and stop whatever reason triggers the process. But, in most cases, that reason is the the way the farmers make thier living.

Many farms of the future will be based on better residue management systems. But there are many obstacles that need attention and must be overcome. These include the need for better understanding of the science and art of good land use. The key is how to persuade the individual user that the rate of annual soil erosion depends primarily on the physical characteristics of the land itself, and how each acre is used. This includes the management of site-specific conditions on each of the farmers' fields.

Soil erosion on a specific land area is initiated when soil particles become detached from the soil mass and are made accessible to transport by surface runoff water or by wind. Therefore, proper land cover and management practices are the first line of defense against soil loss and can make the greatest contribution to soil erosion reduction and control. Structural practices -- and they are needed in site-specific conditions -- constitute a second line of defense. To the extent that S. 998 and S. 1053 would encourage the planning and application of the most effective conservation treatment on high priority lands SCSA would favor their early enactment and implementation. Orderly changes in cropping and land-use systems on erosion-prone lands through a special cropland conservation program (S. 998) captures the intent of a long-term conservation reserve discussed earlier. S. 998 and S. 1053 needs to be in place whenever land set-aside programs (including PIK) are again activated. We all know that the worst drought in 50 years is removing burdensome surpluses of corn and soybeans. Because of the low levels of summer moisture, with weeks of blistering temperatures and earlier crop acreage reductions, including PIK, the corn crop is estimated to be slashed 48 percent. Soybean and rice production is predicted to be down a third. The wheat crop had already matured when the drought started and despite acreage reductions, farmers and ranchers did produce one of the largest wheat crops in five years.

Therefore, as we hear now, any Federal crop reduction program for 1984, in which the government gives surplus commodities rather than cash to farmers in return for leaving part of their land idle, will be quite limited. The concept has been established though that payment-in-kind is valid. We would hope, that in the future, provisions are in place, as stated in S. 998 and S. 1053, to use surplus commodities to help establish both conservation treatment and long-term land use conversions based on conservation plans. We support their enactment.

SCSA appreciates the invitation to testify and will be pleased to help your Committee in any way you deem desirable.

## STATEMENT OF THE NATIONAL ASSOCIATION OF COUNTIES

The National Association of Counties[1] appreciates the opportunity to present its views on S. 843, S. 998, and S. 1053, all designed to promote soil conservation on erodible agricultural lands.

Soil erosion exists, in varying degrees of concentration, within almost every county in this country. About 2,000 counties or two-thirds of all the counties in the United States, have severe soil erosion problems. Soil erosion plagues urban, as well as rural, counties. Thus, soil erosion is a major county concern.

This year, in recognition of the severity of the problem, the NACo president created a soil erosion subcommittee as part of NACo's land use steering committee. At the subcommittee's first meeting in July 1983, it adopted a number of county policy statements and recommendations which were approved by the entire NACo membership. A county involvement and voice in soil conservation policy is long overdue.

NACo actively supports measures to retain, protect, and improve agricultural land, and conserve top soil. NACo supports the concept that conservation and the elimination of excess soil erosion should be a high priority in the implementation of commodity support programs. In the resolution NACo adopted in July on soil erosion, NACo urged Congress to take favorable action on legislation providing this approach in the conservation of America's soils.

S. 843 and S. 1053 provide Federal financial and technical assistance or additional payments-in-kind to farmers who set aside acres for approved conservation uses. S. 843 would reimburse participants, in cash or in kind, for applying conservation practices to land set aside from production of a specific commodity. S. 1053 is intended to complement the PIK program by offering in-kind incentive payments to producers who put their set-aside land into long-term conservation use.

S. 998 would remove erosion-prone lands from long-term production through contracts with USDA offering the farmer financial and technical assistance. Assistance would include in-kind commodities for installing conservation measures. Participation in the program is not dependent upon participation in an acreage reduction program like S. 843 and S. 1053.

These bills are consistent with NACo's overall land use soil conservation policy. NACo believes that the use of commodity set aside programs to induce, for extended periods of time, the removal of highly erosive land currently in production would encourage the protection and conservation of land. S. 1053 would strengthen the PIK programs conservation component. S. 998 provides a good start for a long-term conservation reserve program.

NACo also recognizes that the modification of farm economic incentive programs to encourage good conservation practices should also discourage highly erosive land from coming into production. Thus we also support S. 663 as recently reported favorably by the full committee.

NACo agrees with the subcommittee that the long-term soil and water conservation needs to be integrated into the Nation's overall agricultural policy. Federal farm support programs often foster soil erosion problems and ignore the need for conservation measures. Farmers, especially in this economic climate, often must rely on these Federal programs to survive. USDA commodity programs do not have a strong conservation element, and operate independently of local concerns. Yet Federal programs strongly influence local land use. County commissioners all over this Nation are extremely worried about this problem, and feel that they should have a role in legislation tying together agricultural commodity programs and soil conservation.

Further, while Federal programs administered by one agency may encourage soil conservation, other programs under a different agency may result in erosion. So Federal programs may cancel each other out. Federal soil conservation programs should reach beyond USDA. There must be a clearinghouse for all Federal agencies so Federal agencies can coordinate among themselves for a concerted Federal effort to conserve our Nation's soils. This is particularly important for those agencies that deal with urban areas. Since urban land is also experiencing erosion. At least one-third of all the counties in the United States are experiencing serious urban growth problems. And any program affecting soil conservation should take into account the local government land use role.

---

[1] The National Association of Counties is the only national organization representing county government in the United States. Through its membership urban, suburban, and rural counties join together to build effective, responsible county government. The goals of the organization are to: improve county government; serve as the national spokesman for county government; act as a liaison between the Nation's counties and other levels of government; and achieve public understanding of the role of counties in the federal system.

While NACo is very supportive of legislation to tie soil conservation practices to commodity support programs, we believe that such legislation should also recognize and provide an active role for county governments in any soil conservation activities.

Local governments are generally responsible for land use policies and regulations. NACo maintains that effective land use management is essential to all counties as a means to channel and accommodate development, protect resources, conserve energy, provide services, and maintain the quality of life for existing and future residents.

In rural areas, the local government land use management role becomes even more critical as a means of economic survival. In these areas, the occupations that are the key to the economy and viability of local communities are those directly tied to natural resources and the use of the soil—farming, livestock grazing, timber harvesting, and mining. Thus, in large part, the stability of the local economy depends upon the proper use and management of the natural resource base.

Despite the critical importance of proper resource management in these areas, in many counties the local government role in the control of agricultural land erosion has been usurped and diminished. County officials are extremely concerned about critical soil loss and wish to assume their responsibility in working with Federal and State programs, as well as with other local governments and conservation districts. Soil conservation efforts have been fragmented among many entities. Consequently, it seems that "no one is tending the store." A number of factors have resulted in this fragmentation and the removal of county government from the planning and implementation of soil conservation policies and programs.

There are several factors which have hindered county involvement. While a number of these problems have to be resolved on the local level, many of the difficulties have been exacerbated by Federal policies and actions. Counties want a positive, active role in soil conservation. If the legislation before you include counties as full participants in the process, such a step would be a major Federal encouragement for that role.

### LOCAL FACTORS

One factor is the land use regulation obstacles counties themselves face. Land use regulation is not always popular with local residents. Also the traditional approach to soil conservation by conservation districts and the soil conservation service has been that of voluntary compliance. This is probably based on the assumption that many landowners are against regulation. Also, the States have not provided initiatives and incentives for the counties to do more.

Further, in some rural areas local governments may not have sophisticated planning capabilities. Local elected officials are not usually trained in planning, and the budget of a rural county cannot afford to hire planning staffs and consultants. A key Federal program that provided financial and technical assistance to local governments to help them develop planning capabilities is now virtually defunct. That was the area wide development assistance program authorized under the Farmers Home Administration, known as section 111. We do have the opportunity to coordinate with local federally funded agencies, but manpower shortages quickly become a problem.

### FEDERAL FACTORS

Federal policies and activities often result in keeping counties out of soil conservation. This is particularly true in Federal agreements with the conservation districts.

Because conservation districts often follow county borders, it is assumed that they are part of county government, or that these districts and counties are interconnected.

In some areas the county does work closely with the conservation district. In New York, Pennsylvania, and Wisconsin, for example, counties are given a very strong role in conservation districts by State law. In some States, however, like Kentucky, soil conservation districts are extremely strong and independent and run like separate governments. In these States the conservation districts often take action independent of counties. In many cases, counties and conservation districts do not consult or work cooperatively together. We are not suggesting another layer of bureaucracy, but would appreciate the opportunity for input into programs designed to protect soils within our individual county borders.

The Federal Government exacerbates this climate by dealing, through the U.S. Department of Agriculture, primarily with the conservation districts. This often leaves counties without a role. Only recently has the soil conservation service begun to work closely with NACo to advise counties on their programs. This effort should be emphasized and encouraged in future SCS activities.

The USDA could serve an important mediation function to bring local governments closer together with those entities accountable for soil erosion on the local level.

Any legislation that ties soil conservation to farm economic incentive programs should provide for consultation by the Secretary of Agriculture with local governments. S. 998 authorizes the secretary to enter agreements with owners or operators to carry out changes in cropping or land use and conservation treatment. The owner or operator must agree to affectuate a plan approved by the local soil conservation district in order to receive technical and financial assistance. While the technical expertise of the soil conservation district is a necessary component of approving these plans, without county involvement the secretary may not take into account local land use and development policies which are county government responsibilities. Legislation should not further perpetuate the USDA by-passing counties on soil conservation.

We strongly urge the subcommittee to review any soil conservation legislation to make sure that local governments are an equal part of the consultation process along with conservation districts. This would be one of the most effective ways to bring local governments into the overall soil conservation efforts.

We also recommend that the USDA reach out through groups like NACo and the National Association of Conservation Districts to alert local officials of the problems and encourage them and conservation districts to work more closely together. This is a task we at NACo will be attempting more aggressively.

## STATE FACTORS

Another factor is that not all States have provided assistance to encourage participation in soil erosion programs. States have not been particularly helpful in this area, and could work more closely with local governments.

Under section 208 of the Federal Water Pollution Control Act Amendments of 1972, about 15 States adopted legislation to strengthen their sediment control programs. Under some of these programs, the State set standards and guidelines, and gave local governments enforcement responsibility. However, most of these laws exclude agricultural land from sediment control.

Several states have also adopted water quality and stream control laws which require regulation of farming activities causing erosion on agricultural lands.

However, in some of the states that have enacted soil conservation measures for agricultural lands, the county does not have the local enforcement role.

With the support and enforcement of States, counties could provide strong enforcement and regulation for agricultural soil conservation, in conjunction with their land use responsibilities. The conservation districts could provide education and technical assistance. Working with the local governments and conservation districts, the States could set standards and guidelines. Each level would and should have a role, and work together. Federal legislation and programs should encourage this multilevel cooperation. States need to be encouraged to work with counties on this problem, and provide assistance and support. This Federal encouragement has worked with sediment control and could certainly succeed with agricultural soil conservation.

## COUNTY ROLE

We have highlighted some of the problems to under score how essential it is for Federal legislation and programs to encourage, rather than ignore and discourage, the county role in soil conservation. Congress could be the catalyst in getting all levels of government to cooperate on this serious national problem.

Some counties have acted to regulate soil erosion. A handful have very tough programs. These programs prove that local governments can successfully regulate soil conservation under their land use authority, especially when the State, county, and conservation district all work together to accomplish the goal. We have provided examples of what some counties are doing in the attached appendix.

Local governments can play an integral, positive role in containing soil erosion. If local enforcement such as that enacted by Weld County, Colo., and Fillmore County, Minn., (see appendix) would be adopted in jurisdictions across the country, and go hand-in-hand with Federal efforts such as those laid out in S.663, S.843, and S.1053, all levels of government would contribute to a significant reduction of soil erosion in the United States.

### CONCLUSION

We want to commend the chairman and subcommittee for your leadership in and commitment to effective soil conservation programs to combat an acute national problem. We hope to work closely with the subcommittee in implementing these programs, and providing a voice for each level of government.

## APPENDIX: TWO SUCCESSFUL EXAMPLES OF COUNTY ENFORCEMENT*

### WELD COUNTY, COLO.

Weld County, Colo., is a particularly good example of what can be achieved when the State sets the standards, the county enforces them, and the conservation district provides the technical backup and expertise.

In recent years, increasing acreages and grassland in Colorado have been plowed and cultivated. Wind erosion of these plowed areas has been severe, and, as a result, the Colorado Land Use Commission issued a cease and desist order to prevent further plowing of grasslands. A significant portion of this new plowing was done to attract investors.

In order to assist counties to deal with the plowout problem, the State soil conservation board and the Colorado Department of Agriculture drafted a "model regulation concerning the cultivation of fragile grasslands." In May 1982, just before the cease and desist order of the land use commission was due to end, the board of commissioners of Weld adopted an ordinance which generally follows the model regulation.

The Weld County ordinance requires that a permit be obtained for the plowout and cultivation of fragile grasslands. Applicants for a permit must have a conservation plan, approved by the local conservation district board which will specify the conditions under which cultivation is permitted. When the board of county commissioners is advised that grasslands are being cultivated in violation of the ordinance, the board is authorized to issue an order specifying that the cultivation shall cease immediately and that the grasslands shall be revegetated back to species of grass approved by the soil conservation districts. If the landowner fails to submit a conservation plan to comply with the order in 30 days, or if the landowner advises the board that he/she cannot or will not comply, the board may take reasonable action to revegetate the area at the landowner's expense. Criminal penalties of a fine of not more than $300 or imprisonment for not more than 90 days are specified for violators.

### FILLMORE COUNTY, MINN.

Fillmore County, Minn., worked closely with the local soil conservation district to implement an extremely successful program. Again, the county regulated under its zoning authority, drawing on the expertise of the conservation district.

In Fillmore County, numerous areas in pasture for many years were recently plowed up and planted to row crops. In response to this erosion threat, in April 1982, the county commissioners adopted an amendment to the county zoning ordinance designed to prevent and control accelerated soil erosion and resulting sediment damage to land. There was no formal opposition to the ordinance, and the county planning commission supported it unanimously.

Any occupier of agricultural land is in compliance if that person is using soil conservation practices approved by the Fillmore Soil and Water Conservation District Board [SWCD] to prevent erosion: that person does not have rills, gullies, or sediment deposits in his/her fields; and that person's farming methods do not create erosion problems on adjoining properties. Oral or written complaints of violations may be made to the zoning administrator by local, State, or Federal officials, or by occupiers of land in the county. On receipt of a complaint, the zoning administrator requests the Fillmore SWCD to make an investigation.

Representatives of the SWCD board and the county must meet with the land occupier to determine whether a violation actually exists. If the land occupier is unwilling or unable to develop a plan to correct the situation within 30 days of the violation notice. The SWCD representative will notify the zoning administrator and identify what practices will be required to bring the land into compliance with the ordinance. Any violator who refuses to correct the problem voluntarily is charged with misdemeanor which is punishable by a $500 fine, 90 days in jail, or both.

---

*Information comes from "Regulatory Approaches by State and Local Governments for Reducing Erosion of Agricultural Land," by Robert E. Coughlin.

We understand that this ordinance has caused a significant improvement in conservation practices in the county. Quite a few farmers have already made changes on the land and many more are expected in the coming year.

## STATEMENT OF DEAN R. MCHARD, THE AG-RENEWAL GROUP, TULSA, OKLA.

Past generations of farmers usually found it most profitable to produce both crops and cattle. An over-emphasis on cash grain production during the present generation has resulted in a large surplus of grain and beef being priced out of the market. Erosive soils have come under cultivation, precious fossil fuels have been expended, high priced equipment has been purchased, massive grain storage programs have been undertaken, and exploitive irrigation has reached the point that millions of acres may be forced to return to dry land operations . . . . even with center pivot systems in place.

The solution to the above summary is a commonsense government-assisted return of our most erosive and least productive acres to a permanent vegetation that can be used to produce lean beef at costs the consumer is willing to pay. This Long Term Land Reserve can be brought back into crop production whenever it is needed, but will avoid the "Quick Fix" mentality of the PIK Program, which actually caused Oklahoma farmers to cut back on the seeding of erosive and marginal land to grasses. To achieve this land retirement, the following incentives are proposed:

1. Increase funding for programs such as the Great Plains program and expand the number of counties where it is available.
2. Give highest priority to cropland retirement versus other ASCS and SCS programs.
3. Reduce the cost of these programs by (a) allowing seed production on program acres (in time, this will also reduce the cost of the plantings), (b) allow unrestricted grazing on the retired land, (c) allow haying on the retired land, (d) allow innovative stand establishment techniques, such as broadcasting in an existing crop and using the hoof action of grazing cattle to work the seed into the soil, and (e) allow the farmer credit on current payments on government loans (FmHA or PCA for instance), thus reducing the budget for the program and allowing some farmers to participate who cannot otherwise provide their share in cash.
4. Guarantee the farmer that his base acres will not be reduced for up to 20 years by establishing permanent vegetation.
5. Guarantee the farmer that the acres established to permanent vegetation under the program may be permanently used for PIK, paid set-aside, conservation use or any future program for reduced crop acres.
6. Accept land retired during the last three years under the above terms to prevent possible plowing and re-seeding of this land.
7. Publicize the profitability of the latest forage varieties and the latest grazing and livestock production techniques as the primary incentive once the stand is established with USDA help.

## STATEMENT OF MARGIE WILLIAMS, DIRECTOR OF GOVERNMENT AFFAIRS, NATIONAL ASSOCIATION OF WHEAT GROWERS

With sluggish market demand for U.S. wheat and unprecedented stock accumulations, the goal of Government policies must be immediate and significant stock reduction as a means of achieving price recovery for producers. The lack of a long-term wheat policy with firm supply management goals has resulted in today's unbalanced supply and demand situation. This imbalance must now be corrected with the implementation of such a policy.

In order for any acreage reduction program to be effective, farmers must be informed of program features well in advance of planting. Since the United States now holds enough surplus wheat, nearly 1.6 billion bushels, to supply domestic needs for two years, it is evident that a multiyear wheat program could be announced by the Secretary with very little risk. Farmers could then rationalize their operations through a long-term production plan, and the cost effectiveness of the program would be maximized for both the government and the producer. As a fail-safe precaution, with the announcement of a two- to three-year wheat program, the Secretary could stipulate that if there is a significant change in the total supply of U.S. wheat, the program could be modified in response to the changed supply situation.

As part of a multiyear supply management program plan, we believe that conservation incentives would be an important feature for inducing participation. If farmers could (1) count on the government's commitment to the need for acreage reduction over a multiyear period, and (2) receive compensation for engaging in approved conservation practices as part of overall program participation, then participation would grow considerably. At the same time, idled acres would be protected against soil erosion through improved conservation techniques which would become practical if the producer could plan on a long-term project.

Farmers would welcome the opportunity of participating in both short- and long-term conservation programs offering cost-sharing in cash or in-kind. For farmers who are uncertain of their program participation over a long-term period, conservation payments to assist in maintaining idled acres during a particular season would be helpful in assuring the best utilization of available conservation techniques. Supplemental payment could also be helpful in prolonging the farmers' interest in supply management programs, and permanent land retirement.

According to a recent economic analysis performed for the NAWG, at least 3 years of significant acreage reduction programs, with adequate incentives for high levels of farmer participation, will be required to bring wheat stocks down to an acceptable carryover of around 1 billion bushels. The analysis also indicates that annual excess wheat production capacity exceeds 300 million bushels per year at current utilization levels. Therefore, in order to accomplish any net stock reduction at all, this excess acreage must be taken into account in determining total idled acres neccessary to reach the stock reduction goals of any program. In this context, a long-term land retirement program is an attractive and workable means of reducing excess capacity.

Under any plan recommended by the committee, we strongly urge that a participating producer not lose program acreage which he enrolls in the conservation program. Loss of planting history is no doubt one of the single most important factors in dissuading farmers from participating in long-term conservation projects. Application of good conservation techniques should be encouraged, the farmers should not be penalized through the loss of program benefits.

Mr. Chairman, I would like to request that this letter be made a part of the hearing record on S. 843, 998 and 1053. Thank you very much for taking the views of the NAWG into consideration.

II

98TH CONGRESS
1ST SESSION

# S. 843

To amend the Agricultural Act of 1949 to authorize the Secretary of Agriculture to make payments to reimburse producers for the cost of applying approved conservation practices to acreage diverted under an acreage limitation program for the 1982 through 1985 crops of wheat, feed grains, upland cotton, rice, and soybeans.

---

IN THE SENATE OF THE UNITED STATES

MARCH 17 (legislative day, MARCH 14), 1983

Mr. COCHRAN (for himself, Mr. HUDDLESTON, Mr. BOREN, Mr. ANDREWS, Mr. JEPSEN, and Mr. EAGLETON) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

---

# A BILL

To amend the Agricultural Act of 1949 to authorize the Secretary of Agriculture to make payments to reimburse producers for the cost of applying approved conservation practices to acreage diverted under an acreage limitation program for the 1982 through 1985 crops of wheat, feed grains, upland cotton, rice, and soybeans.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) section 107B of the Agricultural Act of 1949 (7 U.S.C. 1445b–1) is amended by adding at the end thereof the following new subsection:

"(l)(1) The Secretary may make payments to producers to reimburse such producers for all or part of the cost of applying approved conservation practices to all or part of the acreage diverted under the program authorized by this section.

"(2) Payments under this subsection may be made in cash or in kind and on a prospective, installment, or retrospective basis.".

(b) Section 105B of such Act (7 U.S.C. 1444d) is amended by adding at the end thereof the following new subsection:

"(l)(1) The Secretary may make payments to producers to reimburse such producers for all or part of the cost of applying approved conservation practices to all or part of the acreage diverted under the program authorized by this section.

"(2) Payments under this subsection may be made in cash or in kind and on a prospective, installment, or retrospective basis.".

(c) Section 103(g) of such Act (7 U.S.C. 1444(g)) is amended by adding at the end thereof the following new paragraph:

"(19)(A) The Secretary may make payments to producers to reimburse such producers for all or part of the cost of applying approved conservation practices to all or part of the acreage diverted under the program authorized by this subsection.

"(B) Payments under this paragraph may be made in cash or in kind and on a prospective, installment, or retrospective basis.".

(d) Section 101(i) of such Act (7 U.S.C. 1441(i)) is amended by adding at the end thereof the following new paragraph:

"(13)(A) The Secretary may make payments to producers to reimburse such producers for all or part of the cost of applying approved conservation practices to all or part of the acreage diverted under the program authorized by this subsection.

"(B) Payments under this paragraph may be made in cash or in kind and on a prospective, installment, or retrospective basis.".

(e) Section 201(g) of such Act (7 U.S.C. 1446(g)) is amended by adding at the end thereof the following new paragraph:

"(3)(A) The Secretary may make payments to producers to reimburse such producers for all or part of the cost of applying approved conservation practices to all or part of acreage diverted under an acreage limitation program established for soybeans under this Act or the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.).

"(B) Payments under this paragraph may be made in cash or in kind and on a prospective, installment, or retrospective basis.".

○

## COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

### Staff Summary of S. 843

S. 843 would amend the Agricultural Act of 1949 to authorize the Secretary of Agriculture to make payments to producers of wheat, feed grains, cotton, rice and soybeans. These payments would be made for purposes of reimbursing the producers for all or part of the cost of applying approved conservation practices to all or part of the acreage diverted from production under the farm price support program for those commodities.

These payments could be made in cash or in kind and could be made on a prospective, installment, or retroactive basis.

II

98TH CONGRESS
1ST SESSION

# S. 998

To authorize the Secretary of Agriculture to establish a special cropland conservation program for erosion-prone cropland whereby the Secretary of Agriculture will assist the owners and operators of such land to make an orderly change in their cropping and land-use systems and to implement the conservation treatment needed to conserve the soil and water resources of the cropland.

---

IN THE SENATE OF THE UNITED STATES

APRIL 7 (legislative day, APRIL 5), 1983

Mr. BOREN (for himself, Mr. COCHRAN, Mr. HUDDLESTON, Mr. ZORINSKY, and Mr. ANDREWS) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

---

# A BILL

To authorize the Secretary of Agriculture to establish a special cropland conservation program for erosion-prone cropland whereby the Secretary of Agriculture will assist the owners and operators of such land to make an orderly change in their cropping and land-use systems and to implement the conservation treatment needed to conserve the soil and water resources of the cropland.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Special Cropland Conservation Act".

## DEFINITIONS

SEC. 2. As used in this Act—

(1) the term "erosion-prone cropland" means land classified as Class IIIe, IVe, VI, VII, or VIII under the Land Capability Classification System used by the Soil Conservation Service and on which cultivated or rotation crops have been grown in three out of the past five years;

(2) the term "Secretary" means the Secretary of Agriculture;

(3) the phrase "owner or operator" means the owner or operator of erosion-prone land; and

(4) the phrase "in-kind commodities" means commodities that normally are produced on land that is the subject of agreements under this Act.

## SPECIAL CROPLAND CONSERVATION PROGRAM

SEC. 3. (a) Notwithstanding any other provision of law, the Secretary may formulate and carry out a conservation program, in cooperation with owners and operators of erosion-prone cropland, to assist such owners and operators in an orderly change in their cropping or land-use systems and to implement the conservation treatment needed to conserve the soil and water resources of cropland managed under such changed systems. The Secretary may approve inclusion of other than erosion-prone cropland in the program on a demonstration by the owner or operator involved that a serious soil erosion problem exists on such land or that such land is an integral part of the field and the conservation system needed for the erosion-prone cropland. The Secretary shall provide technical and financial assistance to participating owners and operators to accomplish the objective of this Act.

(b) The Secretary may enter into agreements of not more than ten years with owners or operators to carry out the changes in cropping or land use and conservation treatment described under subsection (a) of this section. By entering into the agreement with the Secretary, the owner or operator shall agree (1) to effectuate a plan, approved by the appropriate soil conservation district, for the cropland substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary; (2) to forfeit all rights to further payments under the agreement or refund to the Secretary all payments, with interest, received thereunder on violation of the agreement at any stage during the time the owner or operator has control of the land if the Secretary, after considering the recommendations of the soil conservation district and the Chief of the Soil Conservation Service, determines that the violation warrants refund or termination of the agreement; (3) upon transfer of the owner or operator's rights and interest in the cropland during the agreement period, to forfeit all rights to further payments under the agreement and to refund to the Secretary all payments received thereunder, unless the transferee of any such land agrees with the Secretary to assume all obligations under the agreement; (4) not to adopt any practice that would tend to defeat the purposes of the agreement; and (5) to such additional provisions as the Secretary determines are desirable and are included in the agreement to effectuate the purposes of the program under this Act or to facilitate the practical administration thereof.

(c) In return for such agreement by an owner or operator, the Secretary shall agree to provide technical assistance and to share the cost of carrying out the changes in cropping or land-use conversions and conservation treatments set forth in the agreement for which the Secretary determines that cost sharing is appropriate and in the public interest. The portion of such cost (including labor and maintenance costs) to be shared shall be that part the Secretary determines is necessary and appropriate to effectuate the changes in cropping or land-use conversions and the installation and maintenance of the conservation treatment for a normally expected life of such treatment.

(d) Payments made under this section shall be made in accordance with a formula developed by the Secretary. In developing such formula, the Secretary shall take into consideration (1) the costs of establishing and maintaining the agreed-upon conservation treatments for the normally expected life of such treatment; (2) the severity of the erosion hazard involved; and (3) other factors the Secretary determines necessary to encourage participation in the program under this Act.

(e) Notwithstanding any other provision of law, payments under this section shall be made in cash or in in-kind commodities in such amounts as agreed upon and specified in the agreement. However, the use of any Commodity Credit Corporation commodity in making payment under this section shall be subject to a finding by the Secretary that payments in kind of such commodity will not displace to any significant degree the usual marketings of such commodity. If the payment is made with in-kind commodities, the payments shall be made by delivery by the Commodity Credit Corporation of the commodity involved to the owner or operator at a warehouse or other similar facility located in the county in which the cropland is located or such other location as agreed to by the Secretary and the owner or operator, by the transfer of negotiable warehouse receipts, or by such other method, including sale of the commodity in commercial markets, determined by the Secretary to be appropriate to enable the owner or operator to receive efficiently and expeditiously possession of the commodity. If Commodity Credit Corporation stocks of the commodity are not readily available to effect full payment in kind to the owner or operator, the Secretary may substitute fully or partially payment in cash for payment in kind.

(f) The Secretary shall provide the owner or operator the option of receiving payments as the agreement items are completed or, where appropriate, the Secretary may provide for payment in advance of the performance of the planned conservation treatment.

(g) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the program.

(h) The Secretary shall take steps to ensure that acreage diverted from the production of crops to permanent conservation cover under an agreement are considered as active cropping acres (also known by such titles as cropland acreage base or normal crop acreage) for any Federal commodity program, including, but not limited to, production control and adjustment programs, that uses cropping history in the operation of the program. The diverted acreage shall be considered as part of the base history for as long as the permanent cover established under the agreement is maintained.

(i) The Secretary shall, within sixty days after the enactment of this Act, publish in the Federal Register regulations implementing this Act, including those describing erosion-prone land.

(j) In carrying out the program authorized by this Act, the Secretary may use the funds, facilities, and authorities of the Commodity Credit Corporation.

### ADDITIONAL AUTHORITY

SEC. 4. The authority provided by this Act shall be in addition to and not in place of other authorities available to the Secretary and Commodity Credit Corporation for carrying out soil and water conservation programs.

○

## COMMITTEE ON AGRICULTURE,
## NUTRITION, AND FORESTRY

### Staff Summary of S. 998
### (Special Cropland Conservation Act)

S. 998 would authorize the Secretary of Agriculture to formulate and carry out a conservation program for erosion-prone cropland to assist owners and operators of such land in making an orderly change in their cropping or land-use systems and to implement the conservation treatment needed to conserve the soil and water resources of cropland managed under such changed systems. The Secretary would be empowered to enter into agreements lasting not more than 10 years under which the owner or operator of erosion-prone land would agree to carry out a conservation plan that had been approved by the appropriate local soil conservation district.

The owner or operator would be required to forfeit all rights to further payments under the agreement or to refund all payments received, with interest, if the agreement is violated and the Secretary determines that the violation warrants the refund or the termination of the agreement. The owner or operator would also be required to forfeit all rights to further payments under the agreement or to refund all payments received if the owner or operator's interest in the land is transferred and the transferee does not agree to assume all obligations under the agreement. The owner or operator would have to agree not to adopt any practice that would tend to defeat the purposes of the agreement and to any additional provisions that the Secretary determines are desirable to effectuate the purpose or the administration of the program.

The Secretary would agree to provide technical assistance to participating owners and operators and to share the costs (including labor and maintenance costs) of carrying out the conservation measures set forth in the agreement. The Secretary would be required to develop a formula for determining the portion of the cost that the Department would bear. In developing this formula, the Secretary must consider (1) the cost of establishing and maintaining the agreed-upon conservation treatments, (2) the severity of the erosion, and (3) such other factors as are necessary to encourage participation in the program.

Payments made to program participants will be made in cash or in-kind. In-kind payments from Commodity Credit Corporation stocks may be made only if the Secretary finds that such payments will not significantly displace the usual marketings of the in-kind commodity. All in-kind payments will be delivered to the owner or operator at a warehouse or similar facility in the county in which the erosion-prone cropland is located, or such other location as is mutually agreed to, by transfer of negotiable warehouse receipts, or by such other method, (including sale of the commodity in commercial markets) as the Secretary determines will enable the owner or operator to expeditiously take possession of the commodity. If Commodity Credit Corporation stocks of the commodity are insufficient to make full payment-in-kind, partial or full payment in cash may be substituted. The Secretary shall provide the owner or operator the option of receiving payments as the agreement items are completed or, where appropriate, receiving payment in advance.

The Secretary shall provide safeguards to protect the interests of tenants and sharecroppers, including provisions for sharing in payments made under the program. The Secretary shall also ensure that the erosion-prone acreage diverted to permanent conservation cover be considered as active cropping acres for Federal programs that incorporate cropping history. Any erosion-prone diverted acreage shall be considered as part of the farm's base history as long as the permanent cover is maintained.

The following terms are defined for purposes of this bill:

(a) "erosion-prone cropland" means land classified as Class IIIe, IVe, VI, VII, or VIII under the Soil

Conservation Service land capability classification system on which cultivated or rotation crops have been grown in three of the past five years;

(b) "owner or operator" means the owner or operator of erosion-prone cropland;

(c) "in-kind commodities" means commodities that are normally produced on cropland that is the subject of a conservation agreement made under the terms of this bill; and

(d) "Secretary" means the Secretary of Agriculture.

The bill authorizes the Secretary to use the Commodity Credit Corporation to carry out this program. The bill also provides that the authority under the bill is in addition to other authorities available to the Secretary and the Commodity Credit Corporation for carrying out soil and water conservation programs.

Within 60 days after enactment, the Secretary would be required to publish regulations in the Federal Register implementing the bill.

II

98TH CONGRESS
1ST SESSION

# S. 1053

To amend the Agricultural Act of 1949 to require the Secretary of Agriculture to use surplus agricultural commodities to make supplemental payments-in-kind to producers who divert acreage from the production of agricultural commodities under a basic payment-in-kind program and devote such acreage to long-term conservation uses.

---

## IN THE SENATE OF THE UNITED STATES

APRIL 14 (legislative day, APRIL 12), 1983

Mr. BUMPERS (for himself and Mr. PRYOR) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

---

# A BILL

To amend the Agricultural Act of 1949 to require the Secretary of Agriculture to use surplus agricultural commodities to make supplemental payments-in-kind to producers who divert acreage from the production of agricultural commodities under a basic payment-in-kind program and devote such acreage to long-term conservation uses.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended by adding at the end thereof the following new section:

### "SUPPLEMENTAL CONSERVATION PAYMENT-IN-KIND PROGRAM

"SEC. 423. (a) As used in this section—

"(1) the term 'agricultural conservation program' means the program authorized by sections 7 through 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g through 590o, 590p(a), 590p(f), and 590q) and sections 1001 through 1008 and 1010 of the Agricultural Act of 1970 (16 U.S.C. 1501 through 1508 and 1510);

"(2) the term 'basic payment-in-kind program' means a program under which the Secretary pays a producer with a quantity of an agricultural commodity to divert farm acreage from the production of an agricultural commodity and devote the acreage to conservation uses; and

"(3) the term 'surplus commodities' means agricultural commodities owned and held by the Commodity Credit Corporation that are not obligated for use under any other provision of law.

"(b) If the Secretary establishes a basic payment-in-kind program, or if such a program is established by legislation, the Secretary shall establish a supplemental conservation payment-in-kind program under which the Secretary shall, in accordance with this section, use surplus commodities to make payments-in-kind, in addition to payments made under the basic payment-in-kind program, to producers who—

"(1) participate in the basic payment-in-kind program;

"(2) devote all or part of farm acreage diverted under the basic payment-in-kind program from the production of one or more agricultural commodities to long-term conservation uses which—

"(A) are conservation uses approved by the Secretary under the agricultural conservation program; and

"(B) have a minimum life span of at least five years, as determined by the Secretary; and

"(3) devote such acreage to the approved conservation uses for the duration of the minimum life span of the uses.

"(c)(1) To be eligible for payments under this section, a producer must—

"(A) file with the Secretary, in accordance with subsection (b), an application for payments and a plan to devote to conservation uses specified acreage on the farm; and

"(B) have the application and plan of the producer approved by the Secretary.

"(2) The Secretary shall provide technical assistance to an applicant for payments under this section to assist the applicant in preparing a plan referred to in paragraph (1)(A).

"(d) After the date of the termination of the basic payment-in-kind program referred to in subsection (b), a producer may devote acreage referred to in subsection (b)(2) to hay and grazing without terminating the eligibility of the producer for payments under this section.

"(e) Except as provided in subsection (f), the Secretary shall make payments to eligible producers under this section to share the costs incurred by the producers in establishing and maintaining long-term conservation uses on acreage on the farm in accordance with this section.

"(f) The aggregate fair market value of commodities provided to a producer in a year under this section (as of the date on which the commodities are provided) may not exceed $25,000, except that the Secretary may provide an in-kind payment in excess of $25,000 when he determines—

"(1) that such additional payment is necessary to correct severe erosion or extraordinary circumstances on participating acreage; or

"(2) that $25,000 would be a clearly inadequate payment in a case where a producer dedicates a large acreage base under this section.

"(g) If a producer receives payments under this section and fails to devote acreage on the farm to long-term conservation uses in accordance with this section, the producer shall repay to the Secretary an amount equal to the aggregate fair market value of the commodities provided to the producer under this section (as of the date or dates on which the commodities were provided or the date on which the Secretary makes the determination of such failure, whichever would result in the higher amount).

"(h)(1) If a producer receives payments for devoting acreage to long-term conservation uses under the program provided for in this section, the producer shall be ineligible during the minimum life span of the conservation uses for any cost-sharing assistance under any other program administered by the Secretary on the acreage on which such payments are received.

"(2) Acreage devoted to long-term conservation uses in accordance with this section shall be considered during the minimum life span of the uses as acreage devoted to conservation uses under any acreage set-aside program established for an agricultural commodity under any other provision of law.".

○

## COMMITTEE ON AGRICULTURE,
## NUTRITION, AND FORESTRY

### Staff Summary of S. 1053

S. 1053 would add a new section to the Agricultural Act of 1949. This section would require that the Secretary of Agriculture establish a supplemental conservation payment-in-kind (PIK) program whenever a basic payment-in-kind program is in effect. The Secretary would be required to use surplus Commodity Credit Corporation commodities to make conservation payments-in-kind to producers who--

(1) participate in the basic PIK program;

(2) devote all or part of the PIK acreage diverted from production to long-term conservation uses that have been approved by the Secretary and have a minimum life span of at least 5 years; and

(3) devote the long-term conservation PIK acreage to approved conservation uses for a period of time equal to the minimum life span of the uses.

The supplemental conservation payments-in-kind would be in addition to any payments made under the basic payment-in-kind program.

In order to be eligible to receive payments under this conservation PIK program, a producer must file a conservation plan and an application for payments with the Secretary and have both approved by the Secretary. The Secretary would be required to provide technical assistance to a program applicant in the preparation of the applicant's conservation plan. After the basic PIK program is terminated, a producer may devote the acreage which was devoted to long-term conservation uses to grazing or to the production of hay without loosing his eligibility for supplemental conservation PIK payments.

The Secretary shall bear a portion of the cost of establishing and maintaining the long-term conservation uses by making payments-in-kind to producers. The aggregate fair market value of the conservation PIK commodities provided to a producer in any one year may not exceed $25,000, except that payments in excess of $25,000 may be made if the Secretary determines--

(1) these payments are necessary to correct severe erosion or extraordinary circumstances on participating acreage; or

(2) $25,000 would be clearly inadequate in a case where a producer dedicates a large acreage base to the conservation PIK program.

If a producer receives conservation PIK payments and fails to devote the agreed-upon PIK acreage to long-term conservation uses, the producer shall repay the Secretary an amount equal to the fair-market value of the commodities received. The fair-market value of the commodities shall be their value as of the date or dates on which the commodities were provided to the producer or the date on which the

Secretary determines that the producer has failed to devote the required acreage to long-term conservation uses, whichever is higher.

If a producer receives conservation PIK payments under this program, the producer shall be ineligible (during the minimum life span of the conservation uses) for cost-sharing assistance under any other program administered by the Secretary on the acreage on which such payments are received.

Acreage devoted to long-term conservation uses under this program shall be considered (during the minimum life span of the uses) as acreage devoted to conservation uses under any acreage set-aside program established for an agricultural commodity under any other provision of law.

As used in the bill--

(1) the term "agricultural conservation program" means the agricultural conservation program authorized in the Soil Conservation and Domestic Allotment Act and the Agricultural Act of 1970;

(2) the term "basic payment-in-kind program" means a program under which the Secretary pays a producer with a quantity of an agricultural commodity to divert farm acreage from the production of an agricultural commodity and devote the acreage to conservation uses; and

(3) the term "surplus commodities" means agricultural commodities owned and held by the Commodity Credit Corporation that are not obligated for use under any other law.

○